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East Europe Report

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EAST EUROPE REPORT

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Vol 34, No 7, Jul 86)..... 89

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ECONOMY

INTERNATIONAL AFFAIRS

CEMA'S TRADE WITH DEVELOPING COUNTRIES VIEWED

AU300906 Prague RUDE PRAVO in Czech 26 Jun 86 p 6

[Article by Vaclav Lavicka: "CEMA's Trade Exchange With the Developing Countries"]

[Text] In the past 25 years the CEMA member-countries' trade exchange with the developing countries has increased more than 19-fold, and at present reaches the value of R34 billion annually. The CEMA community has trade relations with more than 100 developing countries.

In the first stage of cooperation, to an overwhelming extent enterprises that satisfy the domestic market demand were built in the developing countries with the assistance of the CEMA states, including enterprises whose production supplanted imports. Later, ever increasing attention was devoted to the construction of export-oriented enterprises.

The young developing states' opportunities for cooperation with the CEMA countries on a compensatory basis are being gradually expanded. This is very important for a number of less developed countries, whose foreign currency situation continues to be difficult and whose ability to pay is low. At the same time, the CEMA countries are acquiring a stable source of necessary deliveries.

For example, the USSR has concluded some 30 compensation accords. Production stemming from them constitutes roughly one-fifth of the entire Soviet imports from the developing countries. Thus, for example, the USSR imports phosphates from Morocco; bauxite from Guinea; aluminium oxide from Turkey; pig iron, rolled material, some heavy engineering products, and mining equipment from India; crude oil from Syria and Iraq; aluminium from Algeria; and canned fish from the Democratic People's Republic of Yemen. Romania cooperates with the People's Republic of the Congo in ore mining. A plant manufacturing copper leaf is being constructed with the GDR's assistance--in accordance with compensation principles--in Jaipur (India). India delivers seamless pipes to Hungary within the framework of a compensation accord.

Extensive economic complexes built in the developing countries with the assistance of the CEMA countries are contributing significantly to perfecting their economic structure, making it possible to utilize local raw materials and optimally harmonize foreign and domestic resources. CEMA's economic cooperation with the developing countries is stable because it is based on long-term accords which enshrine mutual cooperation. The national-economic projects built with the assistance of the CEMA states are being handed over to the developing countries.

/8309
CSO: 2400/341

ECONOMY

CZECHOSLOVAKIA

ENVOY CONDEMNS CAPITALIST SYSTEM IN UN COUNCIL

LD101635 Prague CTK in English 1555 GMT 10 Jul 86

[Text] Geneva July 10 (CTK)--The imperialist policy of undermining economic, trade, scientific and technical cooperation was criticized by Czechoslovak delegate Pavel Chlumsky addressing today's session of the U.N. Economic and Social Council here.

The marring of an international conference of the U.N. on relations between disarmament and development, the freezing of talks on the introduction of a new international economic order and on the adoption of a code regulating the activity of multinational companies, as well as of talks on solving serious problems of the least developed countries are examples of the negative approach of the advanced capitalist states, he said.

The present crisis of the world capitalist system mostly affects the developing countries as the capitalist states try to shift onto them the burden of their economic problem, the Czechoslovak delegate went on to say.

The unsolved problems of backwardness of the developing countries are directly linked with their enormous foreign debts. Czechoslovakia is of the opinion that the main cause of the growing burden of foreign debts of the developing countries are the international capitalist credit system, the growing protectionism, instability of the monetary development, the activity of multinational companies and of private banks, Pavel Chlumsky said.

The relations of Czechoslovakia and the other socialist countries towards the developing countries and the solution of their economic and social backwardness are based on the effort to help these countries get out of this situation with full respect for their interests, mutual advantages and noninterference in their internal affairs.

Czechoslovakia's assistance to these countries concentrates mainly on the development of national bases of science and industry, modernization of economies and ensurance of fundamental social needs. Czechoslovakia will continue granting aid to the developing countries despite the fact that unlike many capitalist countries it bears no responsibility for their socioeconomic problems, the Czechoslovak delegate said.

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ECONOMY CZECHOSLOVAKIA

SLOVAK DAILY CHARGES TOURISM REMAINS LARGELY UNTAPPED

AU171916 Bratislava PRAVDA in Slovak 17 Jul 86 p 2

[Peter Ondera article in the "We Comment" column: "More Music..."]

[Excerpts] Last year alone 56,371,387 travelers crossed our borders in both directions. This is (?2.79) percent more than in the preceding year. Thus, we see that from the economic viewpoint even under our own conditions the sphere of active foreign tourism cannot be considered negligible. This is also testified to by the attention devoted to its development and to the task of increasing foreign currency income from tourism by deliberations of the 16th and 17 CPCZ Congresses, as well as by several CPCZ Central Committee sessions. Although in terms of total revenue this cannot rival the "large" sectors of our national economy, the economic efficacy of tourism is of interest. We do not always realize that the index of replacement costs per currency units from nonsocialist states is currently more advantageous in tourism than, let us say, in engineering. Simply put, even in tourism we must currently see one of the significant possibilities for intensifying our economy.

Deplorably, we in the CSSR have not fully utilized this opportunity to date. In the Seventh 5-Year Plan we did not succeed in fulfilling the plan of foreign currency income from tourism; thus the search for solutions continues to remain a topical task of travel agencies. Naturally, the way out must lie in a detailed analysis of causes and shortcomings that are preventing the fulfillment of society-wide interests. What are they? Apart from the problems in international relations, the deteriorating economic situation of the working people in capitalist states has also come to the fore. For instance, several countries have abolished the subsidies of health insurance organizations and other institutions for spa treatment abroad; and this has naturally affected the influx of tourists to our Slovakoterma facilities, and so forth.

One could cite several other, more or less objective, reasons why reality is lagging behind expectations. But the essential reason often seems to have escaped even the economic executive staff of tourist organizations: The main reason is Czechoslovakia's still insufficient attractiveness as a tourism country for tourists whose demands are rapidly and comprehensively growing on a worldwide scale.

What was sufficient yesterday, is far too little today--this basic, frequently stressed truth can be fully applied to the problems of tourism. It is perhaps inexpedient to analyze here the problems of pricing in individual countries, or the financial policy and departmental foreign trade interests in the confrontation of capitalist and socialist states. But we lack saunas, solariums, swimming pools, sports halls, entertainment arcades, and other facilities that have today become an essential part of modern tourism and its services. All this costs money, a lot of money.

We can only state that, so far, travel organizations have not made use of even the accessible possibilities. Our researchers and in fact even the staff of the government committees for tourism in the CSSR and the Slovak SR have been pointing out for some time now that we have not yet learned how to make full use of the "natural attractions" offered by our natural scenery, folklore, gastronomy, fauna and flora. For various and often incomprehensible reasons, new ideas take root in practice only with difficulty, with great difficulty. It took a long time before the first travel agencies grasped the idea of organizing horse-riding instruction, windsurfing, and bicycle leasing. For years even such a rare thing as the rafts on the Dunajec River have been struggling against the most trivial problems. So far we have been incapable of bringing to the tourists the inimitable atmosphere of mountain sheep farms and the aroma of a real smoked sheep cheese, the "ostiepok"....

If our travel agencies are still speaking of the realistic nature of task fulfillment in foreign currency revenues in the years of the eighth quinquennium (in contrast to the seventh, when they had declared the plan unfulfillable from the very start), this should not mean that their successes will be directly dependent on a soft plan. It should rather be the other way round--their ambition should be to comply with society's demand to fulfill and overfulfill the plan in efficiency ways. Quite the other way round--to provide more music for less money....

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CSO: 2400/351

ECONOMY

CZECHOSLOVAKIA

PRICING POLICY FOR 8TH 5-YEAR PLAN DETAILED

Prague PLANOVANE HOSPODARSTVI in Slovak No 5, 1986 pp 2-15

[Text] "One of the key issues facing us in the current phase of development, from both a domestic and international perspective, is the need to accelerate the socioeconomic development of our society, increase substantially the performance and efficiency of the national economy" [Political Report of the CPCZ Central Committee at the 17th CPCZ Congress].

One of the basic long-term objectives for our economy, the realization of which was discussed at the 17th CPCZ Congress, is to implement an intensification process that will lead, based on R&D and improved labor productivity, to improved national economic efficiency, accelerated socioeconomic development, and a corresponding growth in the level of satisfaction of public requirements. The politico-economic basis of the pricing policy for the Eighth 5-Year Plan is to facilitate the above process. This means that pricing policy will play an active role in the achievement of the performance targets that have been set for the economy.

Planning the evolution of prices for the Eighth 5-Year Plan, and the related resolution of a number of problems connected with an increasingly active role for prices in the capital replacement process, is complicated and difficult. This is because of the conditions under which pricing policy will operate during the Eighth 5-Year Plan, and because of the demanding intensification tasks which we face. The complexity inherent in using prices to affect these processes had evoked, even before the Congress, a number of viewpoints and suggestions regarding the best way to rationalize our pricing system that would also optimize the impact of prices on the fulfillment of the demanding targets of the Eighth 5-Year Plan. All aspects of the functioning of prices must be considered fully. For this reason questions related to the active role of prices in the economy were discussed several times prior to the 17th Congress by the highest level party and state agencies. These sessions thoroughly analyzed various approaches to implementing an active role for prices in the economy that would also permit improvements to be made in the standard-setting functions of the pricing system and its active role in affecting production as well as consumption.

The resolutions of the 17th Congress confirmed that it is indeed necessary to move ahead with the rationalization and utilization of prices as one of

most important criteria and mechanisms of the management system, with particular attention to using prices as an incentive for producers to innovate at a more rapid pace at the same time as they are lowering production costs. This implies that prices will play an active role in decreasing production costs and in increasing technico-economic parameters, thereby creating the conditions for lowering the price per unit of use value for our products.

The 17th CPCZ Congress, therefore, approved a directive to party and state agencies to reduce wholesale prices during the Eighth 5-Year Plan in conjunction with changes in the economy which were accomplished in the Seventh 5-Year Plan and which are planned for the Eighth 5-Year Plan. These latter changes will be made in a context of price relationships that will be adjusted "so as better to reflect world developments and changes in our export efficiency" [Report on the Main Objectives of Economic and Social Development for the CSSR for 1986-1990 and the Outlook to the Year 2000, RUDE PRAVO, 26 Mar 1985, p 4].

Reducing wholesale prices assumes that prices will be used actively to provide incentives for economic progress, which in turn will allow intensification to develop in accordance with the plan, and that they will be used also in support of the implementation of innovative, intensification-related processes and structural changes in the economy. Ours is not the only economy that has adopted this approach. The other socialist countries are also developing its theory as well as its practical applications. The effectiveness of this approach, however, is closely linked with improvements in the management systems of every socialist economy during the stage of the building of a developed socialist society. The general principles underlying this process and its specific characteristics in terms of the sophistication and structure of the economic base of individual socialist countries are reflected in differences in theoretical opinion, as well as in practical measures related to the use of prices in each economy to exploit the economic characteristics of the socialist countries so as to strengthen integration ties, improve the economic potential of socialism and its influence in the world. [On differences of theoretical opinion see, for instance, the discussion in the USSR, in particular articles by comrades B. Lebedev, J. Jakovec, Derjabin, P. Bunic, A. Bacurin, I. Lipsic, N. Petrakov, and others]. For this reason it is very important to study the resolutions of the 27th CPSU Congress, the congresses of the fraternal parties of the socialist countries, and all the experiences and comments of economists both at home and abroad concerning price rationalization so that in the course of the implementation of the resolutions of the 17th CPCZ Congress prices can become "an active mechanism of economic and social policy." [Political Report of the CPSU Central Committee for the 27th CPSU Congress, RUDE PRAVO, Prague, 26 Feb 1986, p 4].

At the 17th CPCZ Congress there was a detailed analysis of the development of the society and the economy in the first half of the 1980s, its positive aspects and the shortcomings which must be corrected. Such a profund analytical approach is very important for pricing policy, because the prices of the Seventh 5-Year Plan form the starting point for the tasks and strategies

of price policy in the Eighth 5-Year Plan. Remember that we met the targets of the Seventh 5-Year Plan under conditions that were more demanding than first predicted. We had to react to these changes with our pricing policy as well. We dealt with an increase in the price of imports, and especially raw materials, that outstripped the increases in prices that could be obtained for final products, not only in our country, but elsewhere in the world as well. We introduced a damping mechanism for part of the negative consequences of price increases. We increased the valuations applied to raw material and power inputs. We used prices to prvoide incentives for innovative, intensification related processes, for the introduction of new technologies, for increases in quality and the export performance of our economy.

Party and state agencies have evaluated this creative and initiative-taking approach in all sectors of economic policy, including pricing. The latter has, in a planned and purposeful manner, had an impact of national economic development. The positive results that have been achieved are not cause, however, for complacency. A number of questions and pressing problems were only partially resolved. More than one program has remained partially completed, and some weaknesses have not been eliminated.

Shortcomings are concentrated mainly in the slow introduction of intensification-related innovations and in the still slow pace in the reduction of the fuel and power intensiveness of production. We still lag behind in the speed with which we improve the technico-economic parameters of products and in making effective structural improvements. This has a negative impact upon, and even deforms, the entire capital replacement process in terms of value. We have not succeeded in implementing the principle that per unit standard prices should decline at the planning and formation stage.

The demanding tasks of the Eighth 5-Year Plan, and its first year in particular, will require that we react still more quickly to the causes of this situation. More accurate, standardized prices which objectively express changes in socially necessary costs and which affect production and consumption, through rationalized relationships, in accordance with the level of satisfaction of public requirements in the interest of intensification, are essential for objective valuation of the econmoy and for planned management at all levels. The active role for price policy in assuring the directives of party and state agencies for economic development should be understood in the same way. This is the perspective from which it is essential to systematically and uncompromisingly evaluate the efficiency of prices in terms of performance that we achieve in the assurance of economic growth as well as from which, in accordance with the resolutions of the 17th Congress, we must severely punish any and all price machinations.

1. Intensive Economic Growth in the Eighth 5-Year Plan and Active Role of Prices in the Economy.

Main Objectives for Economic and Social Development of the CSSR for 1986-1990 and the Outlook to the Year 2000 set a target for the growth of national

income of at least 3.5 percent per year, primarily through reducing the amount of production consumption involved in the formation of the national product.

Meeting the targets for annual national income formation for the entire 5-year plan would mean an overall increase in national income on the order of 18-19 percent.

The growth rate of national income determines the level of satisfaction of our requirements including those related to the standard of living. However, our economy cannot continue to meet the ongoing excessive production requirements for materials, imported raw materials, addition to the work force, and for new capital investment. These requirements are holdovers from the extensive developmental phase of the economy, from the slow pace of reduction of standard material consumption, from the time of high mean investment costs. For this reason a critical task of the Eighth 5-Year Plan is to reduce these extensive requirements, and above all our high level of production consumption. This implies reducing the materials-intensiveness of our products, their production costs, and to achieve the targets for income growth using current levels of raw material, power, and material resources. This is also the reason that the Eighth 5-Year Plan we are projecting a reduction in production consumption as a percentage of national product of 5 percent, which is a pace of reduction that exceeds that of the Seventh 5-Year Plan by a factor of three.

In terms of our fuel and power requirements, for instance, this means that by mobilizing domestic reserves it will be possible to reduce the volume of expensive imports, improve the valuation of domestic resources and to produce goods more efficiently. The longer-term objective is to reduce the energy intensiveness of national income formation by 16 percent from the 1985 figure by 1990. We are projecting savings in rolled materials and iron ore of about 4 percent annually, and 5 percent annual savings in ferrous and nonferrous metals, both of which will contribute to the achievement of our goal. These are very demanding targets that will require organizations to coordinate their pre-production, production, and post-production operations very closely. There must be an upgrading throughout the management system of the existing guidelines intended to facilitate such savings while minimizing the commitment of resources at a later date.

One objective way to resolve the tension between resources and needs is to intensify the economy. We have no alternatives. Price increases and their absorption throughout the plan to not solve our problems. We must meet our growth targets with lower material consumption, assisted by increased input valuation, greater product quality and technico-economic sophistication, and by prices. All of these resolutions of the Eighth 5-Year Plan require the active involvement of prices to be successful.

The key factor in intensification is research and development. A long-range R&D plan was approved at the Eighth CPCZ Central Committee Plenum. Most of this plan will be implemented in the Eighth 5-Year Plan. This is when the innovative process must take hold in higher technical sophistication, quality, reliability, useful life, product availability, and improved service.

The difficulty of the targets of the Eighth 5-Year Plan will be fully evident in its first year. During this year we must achieve a 3.5 percent increase in national income primarily through qualitative changes, cost reductions, increases in productivity and the quality of our work, at the same time that production is increasing at a slower pace than national income. Industrial production in 1986 is slated to increase by 2.6 percent, reflecting the rapid development of those sectors responsible for robotization and electronization within our economy and an increase in exports. While a decline was expected in 1985 in material costs as a percentage of output (excluding depreciation) of 0.6 points, the plan for this year projects a decline in this figure of 1.2 percent and a decline in total costs as a percent of output of 1 percent. Profits are slated, on the other hand, to increase by 10 percent over 1985. Return on investment should increase by 8.7 percent over the expected result for 1985. At the same time we must reduce the energy intensiveness of national income formation by at least 2.9 percent.

These demanding tasks were supported by the declaration of the Central Council of Trade Unions that it would assure an additional 0.5 percent reduction in materials costs as a percentage of output for the 1986 plan and an additional 1 percent increase in labor productivity over the plan target, while increasing quality.

By fulfilling these tasks alone it will be possible to increase personal consumption in 1986 by 1.9 percent and public consumption by 3.4 percent.

We must deal with still another problem in the Eighth 5-Year Plan, namely the ongoing excessive costs involved in capital construction. Our economy faces extensive needs for technical modernization, robotization, and electronization, all of which requires substantial investments in machinery to replace obsolete models.

We must change the current unfavorable ratio between machine and facilities investments, and increase the technico-economic efficiency of our investments in machinery. After all, 80 percent of the machines delivered to capital construction projects come from the Czechoslovak engineering sector. We ourselves therefore can have an impact on the technical sophistication of our own machinery because we actually use the machines that we produce.

Questions of incentives to improve the efficiency of capital investment are being looked into. Various suggestions and opinions concerning the role of prices in this process are being discussed. It is clear that the wholesale prices of construction work must be rationalized in terms of both structure and values, and that the prices for assembly work must be adjusted. It is clear that the current system of prices for the construction industry, especially the structure of its price lists and its standards base, is just as obsolete as the system of supplementary and auxiliary budgeted costs. New technical procedures, some employing advanced equipment, are making inroads in construction as well. This inevitably requires the development of progressive standards for output and consumption and the inclusion of these in pricing calculations. In this process we must not only

differentiate construction work from assembly, but also take into consideration the differing types of construction work, such as terrain work and finishing processes. Changes in these tasks are usually not the result of improperly formulated prices, but rather occur because of substantive changes in capital construction which then has an impact on the efficiency of construction work.

The Federal Price Office [FCU] evaluated these issues and suggestions thoroughly and presented in April of this year to high level party and state agencies a proposal for a comprehensive restructuring of construction and assembly prices for the Eighth 5-Year Plan. This proposal rationalizes the price system for construction and resolves the above problems, using the impact of lower prices to reduce the costs of construction production, assembly and investment.

Foreign relations, and especially our deliveries to nonsocialist countries, cause large problems for us. The performance of the Czechoslovak economy in the context of a broadly based international division of labor depends on our export efficiency, and particularly that of our machine building industry. This sector accounts for two thirds of our total exports to socialist countries and demand in this area is constantly increasing. For this reason we are introducting a complex of measures to increase the export efficiency of our economy. Some of these are related to differences in profitability in wholesale prices according to results that we achieve within the international division of labor and with changes in price relationships. In line with the resolutions of the 17th CPCZ Congress a more accurate valuation of factors of production, which we will codify in the level and structure of socially necessary costs, will create more reliable conditions for the comparison of our prices with those of leading world producers.

Changes will be coming to agriculture as well. We must increase the intensity of agricultural production and efficiency. We must reduce the costs of agricultural production while providing fully for its growth and structural changes that will reduce our needs for fodder imports. The proposal for the Eighth 5-Year Plan projects a 6-7 percent increase in agricultural output, with priority being accorded to plant production. This is fully in accordance with the resolutions of the 11th CPCZ Central Committee Plenum, which approved a long range comprehensive program for agricultural development and that of other sectors involved in nutrition.

2. Facilitating Intensification by Reducing Wholesale Prices

The preconditions for intensification contained in the Eighth 5-Year Plan require an active role for pricing policy to assure the demanding objectives for the economy. In accordance with the resolutions of the 17th CPCZ Congress along with the completed rationalized valuation of factors of production, "we are formulating a set of basic modifications to wholesale prices the objective of which will be to reduce their overall level in the Eighth 5-Year Plan and to adjust their relationships so that they better reflect world developments and the improved efficiency of our exports." [Report on the Main

Objectives of Economic and Social Development of the CSSR for 1986-1990 and the Outlook to the Year 2000. RUDE PRAVO, 26 Mar 1986, p 4]. This objective is connected with further improvements in the efficiency of current distribution and delivery processes, the degree of integration of price groups and, of course, the entire transfer payment and tax system so as to contribute to the formation of basic and just preconditions for the reliable economic calculation of prices for sectors, divisions and products.

The process of price rationalization through their reduction is not arbitrary. It was made possible mainly by the stabilization in the development of prices for imported raw materials. This in turn has made it possible to reduce prices of some raw materials in a differentiated manner as inputs into the economy. This differentiated reduction of prices is objectively necessitated by the need to produce for lower costs than previously. These reductions relate mainly to processing industries, and especially to the general engineering sector. We have succeeded in creating a basic set of prices for the Eighth 5-Year Plan that will make possible a differentiated approach to planned developments for individual raw materials at the same time that pressure is brought to bear for resource mobilization, reductions in raw material, power, and other areas of production consumption per koruna of national income formation. This will in turn have a positive impact on differentiated price reductions in related processes of input valuation.

The objective of these measures is to allow prices to have an active impact on those factors that facilitate an acceleration of intensification processes. Prices must provide incentives for savings of every type, for the achievement of better utilization of production factors, the praid practical implementation of R&D findings. They must also facilitate more effective exporting, increases in product quality, etc., all within the context of differentiated price developments worldwide, increases in the prices for state-of-the-art equipment which makes commensurately greater economic contributions per machine, leading to relative declines in prices per unit of national use value. Rationalizing economic inputs will, therefore, be still more greatly connected with increases in the standard-setting role of prices in the area of the effective utilization of economic outputs.

This, however, does not mean that the degree of standard-setting rigor of pricing is not without problems, or that it will not require demanding changes in the future, depending on the development of economic conditions. Changes stem from the necessity of adapting the standard-setting function of all valuation procedures to the acceleration of R&D progress, to evolving R&D revolution which has brought with it unaccustomed changes in the composition and structure of the forces of production, increases in the magnitude of production accompanied by greater demands on technico-economic parameters, increased labor productivity and quality. For this reason as well the 15th CPCZ Central Committee Plenum emphasized, as an immediate current requirement, "the achievement of a general turnaround in the direction of intensification, more rapid improvement in the qualitative aspects of production, an increase in the technical sophistication of the national economy and in the effectiveness of its valuational processes." [Report of the CPCZ Central Committee Presidium on the Convening and Preparations for the 17th CPCZ Congress and the Main Tasks of the Party in the Pre-Congress Period, RUDE PRAVO, 20 Jun 1985, p 3].

This scenario will result in declining costs and therefore in lower prices. The focus of pricing policy in the Eighth 5-Year Plan on reducing the wholesale prices of outputs is also derived from this. In the given conditions this policy places maximum demands on the standard-setting function and discipline of prices and on the implementation of this policy by the entire management system. At the same time we must be aware that the increasing pace of innovative changes, and the decreasing time frames that have become the basis of production economic, demand more rapid results from greater standard setting rigor in pricing and all other mechanisms of the management system. Nor is this an easy matter. After all, prices are a logical component of the entire system of planned economic management. An isolated decrease in wholesale prices, therefore, in fact, has an impact on all aspects of the plan, on financial and economic mechanisms, primarily transfers, exchange rates, foreign trade mechanisms and objectives for the use of production. Such a change has very important sociopolitical aspects. Changes in prices have a chain reaction impact among themsleves, and sometimes have formative impact even on systems of nonprice mechanisms. In terms of final use, such changes have an impact mainly on retail prices, foreign trade performance, the evolution of budgeted investment costs, and the efficiency of their operation.

Not only is planning and the evaluation of performance in relation to costs made on the basis of prices, but decisions are also made regarding the development of volume and the production structure of the economy. This, again, relates to decisionmaking concerning objectives for the use of national resources for investment, imports, the labor force, etc. in order to achieve an optimal impact. For this reason also the so-called flexibility of prices, the sometimes criticized slowness and vagueness of price system management must always be differentiated from the adaptability of the overall management system to the demanding conditions from which prices cannot be divorced.

Pricing strategy in the Eighth 5-Year Plan will employ a twofold, mutually differentiated role for prices. In other words, prices will be used both as a standard and as a mechanism. This means that there will also be a twofold impact of pricing policy. Prices will assist in dampening the negative consequences of the objectively given increase in the acquisition costs of imports and at the same time will actively support higher valuations, a reduction in material intensiveness, costs, a substitution affects, etc. At the same time, in contrast to the Seventh 5-Year Plan prices will exert a much greater pressure on cost reductions. Along with the pressure for increased efficiency we must also optimize the criteria that we include in prices for the purpose of measuring efficiency. It is not possible to maintain high prices in conflict with production potential and customer needs only because such prices build in the necessary profit or because the producer has not been able to meet his targets for reducing costs. We want prices to contribute to improved performance but not at the price of increasing production inputs many times over and not meeting quality and innovation targets at the same time that increased demand is satisfied.

It is in these terms that we must judge how much each koruna in improved efficiency has cost us.

For the most part every producer is also a consumer. Their interest in price reductions in their role as consumers should, in combination with their role as user-producers, assist in suppressing the tendency to increase the prices of their own production. It is, to be sure, also a function of the management system to generate such interest and thereby efforts to reduce costs, decrease the costs of production factors in the interest of increased sales, with a reverse impact in the form of still lower prices. This should be, in qualitative terms, a more sophisticated result of the active functioning of khozraschot and the criterion for the formation of an actual financial base. Put simply--we must eliminate from our practices those habits which make us want to deal with greater demands for financial resources brought about by intensification, khozraschot funds, and transfers by increasing prices, changing product mixes to the disadvantage of consumers, etc., rather than by making changes in management to facilitate intensification. We need to increase sales inexpensively. Achieving this objective is the purpose of this new, more rigorous price policy.

This policy demands greater comprehensiveness, cooperation, and unity from the entire management mechanism. For this reason the 17th CPCZ Congress emphasized the need for developing a set of preconditions to facilitate the more efficient functioning of our entire price system, including calculations and standards.

Without a rigorous approach to planning, without the vital commitment of every organization to the mobilizational plan to increase sales and minimize inputs we will make no forward progress in our intensification efforts.

Each of us will be justified in passing judgment not based on the information and materials that we have formulated for various agencies, or how many discussions we have taken part in, how many prices and modifications we have proposed, but rather according to the impact that our prices have actually made, how the prices for products labor, and services have speeded up the intensification process, how much they have contributed to decreased costs, to the more rapid introduction of new machinery and production technologies, to higher production efficiency of machinery and investments, and to improved labor productivity. Practical results alone can provide us with the answer to these questions.

It is true that prices have a limited role within the economy. The conditions and effectiveness of prices must therefore be judged in conjunction with the entire management system. Price must be a demanding criterion that will uncompromisingly require an increase in labor productivity. This implies substantial changes in the quality of production, its technical sophistication and in final sales performance for end users, whether in domestic or foreign deliveries.

Today we no longer require just any product. We are no longer concerned with meeting value added targets by hook or crook. And under no circumstances do we need to meet these targets at enterprises by increasing prices.

Objective domestic and foreign conditions require that we produce at state-of-the-art technico-economic sophistication. This will meet the needs of our citizens, users, and foreign partners all at once. This must also be the basis of our prices and our pricing policy for the entire Eighth 5-Year Plan.

The entire management system must give priority to generating, at the enterprise level, the maximum possible interest in reducing production costs as well as prices both at the plan drafting stage and during plan fulfillment. Particular attention must be paid to creating incentives to reduce prices in an environment of intensification. The role of the system, management mechanisms, and criteria in this process are very complex and difficult questions which have not been dealt with adequately at a theoretical level as yet. This involves not only the above mentioned relationships between the development of the degree and magnitude of profits, the division of sales among the participants in the capital replacement process, but above all the planned creation of proportions in the formation and use of national income, and especially its allocation among consumption and accumulation, as well as the projected uses of accumulated resources. Prices reflect both the fundamental problem of the growth rate of profit levels incorporated into prices to assure the requirements of expanded capital replacement, as well as issues related to achieving profit margin targets.

Under current practices it is essential substantially to increase the function of prices in the formation of production costs. This is one area where the standard setting function of prices comes to the fore. After all, it is prices alone that are able to incorporate national economic objectives into products. Of course, the correctness and efficiency of the normative function of prices depends on the scope and quality of product calculations, and on how well the system functions that links cost planning in its calculational and secondary divisions with the system of standard setting (output and consumption norms). No less important is the quality of planning, which should improve substantially with the shift to the planning of fixed and variable costs. An active, standard setting-impact of prices on production depends on their integration with objectives which fulfill planned costs and their structure, transfer system and sales tax. This is a hugh task that faces us because these systemic preconditions are not functioning as they should. This in turn causes an increase in redistribution, stimulates the application of nonprice mechanisms and sometimes as well increases the role of prices and their influence on the cost structures of producers, on changes in overhead percentages, the composition of overhead expenses, etc.

The resolution of these problems is a part of the necessary development of a complex of preconditions for the more effective functioning of the entire price system, along with calculations and technico-economic standards.

This is related as well to the quality of the determination of base prices, which are the socially necessary costs corresponding to the nationwide level of needs satisfaction, as well as in terms of the international division of labor and developing integration. This quality of base prices is very important for achieving planned developments of domestic costs and performance. It also helps to define the optimal role of prices in relations to prices and

profits. Prices, however, can neither replace nor supplement cost and sales planning.

Under conditions of intensification, questions on the relationship between the prices of old and new products is one of the very complex price problems. The new intensification conditions require a substantial decline in the prices of obsolete and low quality products so that the technically more sophisticated and higher quality products will not cause a rise in price levels. We cannot retain a price policy under which all new products are more expensive and the prices of old products do not change or the older product is eliminated. Prices must speed up intensification-related innovation that results in more demanding specifications. This process begins during the determination of the base price and socially necessary costs. The obtaining of new products, and the use of prices to provide incentives for producing new products, and a decline in costs per unit of specific parameters all rule out the mechanical comparison of costs of like products produced in like manner and the derivation of a price in this fashion.

Nor can prices be arrived at by the income principle, or based on fiscal considerations. By the same token, prices cannot resolve the national economic deficit partially and mechanically. It must be the above mentioned standard that indicates how we are doing in terms of effectiveness when selling either abroad or domestically, what the conditions of specific sales are, and how much sales are being made for. At the same time, however, prices must also express a programmatic path for achieving objectives. Price policy is the outcome of both of these lines of thought. They may be in conflict with each other, but always are united in objective and impact--the achievement of greater actual performance measured by the use process.

Understandably, one must think about pricing problems also in terms of where to find resources for the technical reconstruction of the national economy that must preceded the above processes. The sole answer is the mobilization of internal resources. Price, along with other mechanisms, especially the plan, must be a strict criterion for this, and cannot allow any sort of deception in the valuation of resources. Every decision must be documented and verified in use.

3. Specifying Objectives for Wholesale Price Reductions in the Eighth 5-Year Plan

Reducing wholesale prices in the Eighth 5-Year Plan should combine to create, along with the entire planned management system, an environment of more rigorous standards that will facilitate trends in the reduction of costs for our production and to the improved practical application of R&D findings.

The process of differentiated price reductions began with the adjustments to wholesale prices of 1 January 1986. This made it possible to proceed with the planning process for the Eighth 5-Year Plan in line with the new criteria and relationships implied by these prices.

As of 1 January 1986 wholesale prices were changed in 72 sectors and subsectors in centrally managed industry. In ministries of trade, in selected supply and marketing organizations and in unions of production cooperatives there were changes in the level and relationship of commercial margins. Price modifications were focused on reductions in wholesale prices in the processing industry, especially in general engineering, electrotechnics, chemistry, and in the consumer goods industry. Price reductions will reach, according to the plan for wholesale price development, 6.4 percent of revalued production and will relate to 62 of the revalued sectors.

Price adjustments will result in closing the gap between our domestic and foreign prices, which will have a positive and supportive impact on exports.

Reducing the prices of products which are at the cutting edge of R&D facilitates the rapid application of such products and therefore an increase in the efficiency of the use process. In terms of covering requirements for expanded production, changes in the commercial margin in marketing and supply organizations will have a positive impact as will changes in retail trade margins of all the commercial systems that will be undertaken in conjunction with the Eighth 5-Year Plan. These new margins will resolve some consequences of previous developments such as the recovery of some higher distribution costs that resulted from past increases in fuel prices.

The changes of 1 January 1986 will have an impact in the economy as an aggregate decline in the wholesale price level of 0.4 percent, with differentiated impacts on specific areas of use. Specifically, prices are projected to decline 0.1 percent for items for personal consumption, 0.4 percent for investment goods, and 1 percent for export items.

The strategy for price reductions calls for attention during the remainder of the Eighth 5-Year Plan to the rational valuation of material inputs as the starting point for reducing the prices of final production. At the same time, however, the focus of the differentiated reduction in wholesale prices will shift to products of the processing industries, along with necessary adjustments in price relations to facilitate intensification processes.

What price developments are planned for the Eighth 5-Year Plan?

The proposed adjustment in the price of inputs goes along with a trend both toward reduction, based on a projected decline in the growth of acquisitions costs of raw material inputs, and a trend toward increased prices for domestic fuels. When adjusting the wholesale prices of imported and domestic fuel and power resources it is necessary at the same time to make a price correction that accords with long-term trends worldwide and to use prices to achieve the planned objectives for improving the efficiency of their utilization.

All objectives in the area of imported raw materials have a certain amount of risk in conjunction with potential future sharp price fluctuations on foreign markets and in other aspects of their acquisition. For this reason

the pricing of raw materials leaves a certain reserve to cover these influences. Adjusting the wholesale prices of inputs includes the differentiated reduction of prices above all of selected imported fuel and power resources, iron ore raw materials and other materials, along with increases in the prices of some raw materials for the fuel complex, and other materials.

Proposed price adjustments in selected materials take account also of world prices. Adjusted price relations are intended to contribute to reduction in weight, improved quality, and increased useful life of products, especially in the machine building sector. Relationships based on world prices of alloyed addition (nickel, tungsten, molybdenum) and of nonferrous metals (copper, aluminum, lead) create more favorable preconditions for the application of R&D by end users. They are the basis for the gradual merger between domestic wholesale price relations and world relationships, for instance the relation between the prices of high grade steel and that of low grade steel. The relationship between the prices of high grade nickel chrome steel and lower grade steel in our country is, on the average, twice as high as the same relationship in Western Europe. This retards substitution procedures in machine building. Reducing the prices of chemical raw materials creates the opportunity for improving our compliance with world price relations for synthetic fibers and plastics, which will in turn improve the relationship to natural fibers and support the general trend toward interchangeability with metals.

The situation differs in input prices for domestic fuel and power resources, especially in the prices of coal and in the related generation of electricity and thermal energy. Mining operations in ever poorer geological conditions leads to increases in production costs. It also reduces the quality of the coal that is mined. Investment-intensiveness increases with the opening of each new mine that is accompanied by high incurred investments. In the power generation sector the construction of nuclear power plants is very costly. The lower quality of coal increases the operating costs of thermal power plants.

In accordance with the Main Objectives of Economic and Social Development for the CSSR for 1986-1990 this situation requires the assurance in all sectors of the national economy, according to priority rationalization programs, a minimum saving of standard fuel equivalent of 2.9 percent per year, and of standard consumption of ferrous metal of 3.5 percent annually.

The conditions in the fuel complex is also necessitating corresponding pricing measures which will be implemented in 2 forms in the Eighth 5-Year Plan.

First, beginning on 1 January 1986 there will be a gradual 2-percent annual increase in the wholesale prices of power coal, electricity, heat and heavy heating oils, combined with the same consumer program as in the Seventh 5-Year Plan. The gradual increase in the prices of heavy heating oil of 2 percent annually, at the same time that natural gas prices are being reduced in a purposeful manner, will create the conditions for the switch from one to the other, thereby releasing heavy heating oils for the production of light oil products without the need to increase crude oil imports.

The second form of price adjustment will be a one-time increase in the wholesale price of coking coal, coke, etc.

The foundation of the reduction in wholesale prices in processing industries is the thorough and complete fulfillment of the entire complex of targets in the Eighth 5-Year Plan. The Main Objectives of the Economic and Social Development of the CSSR through 1990 assumes the achievements in the Eighth 5-Year Plan of a significant increase in efficiency based on the improved utilization of accumulated reserves in the factors of production, the application of integration processes and R&D with other CEMA countries, especially with the USSR. This will make it possible, along with the above mentioned adjustments in the wholesale prices of imports, to undertake a more radical reduction in prices in the processing sectors by 1 January 1988, especially in general engineering, electrotechnology, chemicals, consumer goods, etc., and to improve the efficiency of pricing in the construction and construction materials industry, including a corresponding adjustment of the relationships between prices.

The above adjustments to wholesale prices as of 1 January 1988 has been approved by the CSSR Government along with the principles for the further implementation of wholesale prices in the above sectors.

Price adjustments have become necessary because of the need of incorporating into the cost calculations related to pricing new products the cost reductions mandated in the Eighth 5-Year Plan by 31 December 1988. According to an agreement with the State Planning Commission it is possible to include in the calculations of new prices planned cost reductions through 1990 on the condition, however, that any such adjustments contribute to the rationalization of value relationships in the economy and facilitate the desired results of price reductions.

New prices are also intended to facilitate the improved utilization of the capital stock, above all machinery and equipment.

In 1984, 72.6 percent of the blue collar positions in industry created by functioning capital assets were filled. To completely fill all available positions and thereby achieve a better utilization of capital assets, it would be necessary either to increase employment in industry by 680,000 employees or phase out capital assets valued at Kcs 280 billion.

It is not efficient for a society when nearly Kcs 333 billion in capital assets is inefficiently utilized or excessive for the needs of the national economy. In such an instance it is not justified to replace unutilized capital assets on an ongoing basis when calculating prices. We therefore consider it proper that calculations of costs and profits in new prices be based only on costs related to the actual level of utilization of capital equipment. In accordance with CSSR Government Resolution No 156/85 this new policy is projected to reduce depreciation and the capital stock.

The criterion for the standard use of capital equipment should be two-shift operation. New wholesale price levels cannot include depreciation charges on fully depreciated capital assets.

It would also be uneconomical to include in cost and wholesale price levels the extra costs involved in product startups, or costs coming from the exceeding of budgeted costs on construction projects, or the failure to adhere to design specifications at new operations. This strategy is in line with the decision of the CSSR Government Presidium, as presented in resolution No 176/1951.

In the Seventh 5-Year Plan enterprise employee benefits, especially expenditures on cultural, recreational and sporting activities developed very unevenly, in spite of a number of directives advocating increased management efficiency, and without any relation to economic performance. Practice has confirmed that it is necessary to develop a more rational relationship between the levels of these expenditures and economic performance. The current practice of aggregating these costs in price calculations cannot continue. Therefore, it will be effective in the future to exclude these costs from the cost basis of prices and cover them by linking them to the economic performance of the organization, which better ties merit to the outlay in question.

Objectivizing the cost basis for the formation of new prices must take account of national objectives and criteria that are incorporated into these prices. This is in line with the basic focus of pricing policy which, in an environment of differentiated price reductions, will be based on objectivized producer costs, covering to a large extent employee benefits, and making use of progressive technologies.

The new wholesale price level also means that the extent and volume of profit included in wholesale prices, must also be objectivized.

In this objectivization we will base decisions on a balancing of needs and available resources for the expansion of capital replacement in industry and construction, as provided for in the Eighth 5-Year Plan. At the same time consideration will be taken not only of the influence of price reductions on the valuation of material requirements, but also the above mentioned reduction in capital assets depending on utilization rate of machinery assets, which both have an impact on the volume of profit contained in prices and on the profit margin.

We will therefore devote considerable attention to sectoral differentiation of profit margins that correspond to the planned developmental objectives of the sector. This differentiation of profit margins in branches and sectors dedicated to exports will facilitate our strategy of export performance and efficiency. At the same time we will implement, depending on the efficiency of the final exported products, efficiency criteria for subcontractors as well, which will have a subsequent impact both on export sectors and exported products.

An important component of pricing adjustments for the second half of the Eighth 5-Year Plan is a reduction in the price of construction and assembly work. These price adjustments include changes in:

--basic, group and aggregate prices for construction production and assembly work in the CSSR;

--valuation standards (norms) for calculating wholesale prices for construction and assembly work (i.e., prices for materials and semifinished goods consumed in construction and the wholesale prices of assembly material, rates for the direct costs of operating construction machinery and equipment, the machine hours of large assembly equipment, indirect costs, and profit);

--auxiliary and secondary budgeted costs, hourly accounting rates including conditions for their use in capital investment, in construction-related repairs and maintenance.

New, lower prices for construction and assembly work will be based on costs that correspond to modern technologies while taking into account the principles of the khozraschot management of construction and assembly organizations. This also presumes a favorable differentiation in the return on investment depending on the type of construction or assembly work and related changes in price relationships between equivalent types of construction styles, systems and comparable assembly work. This will facilitate the most economically efficient designs for specific projects.

We are also planning adjustments in the system of surcharges related to the setting up of a construction site, the movement of construction equipment, and for covering the additional costs of construction or assembly under difficult conditions. These new prices and surcharges will provide incentives for moderately concentrated capital investment, for modernization, reconstruction, repairs and finish work rather than starting up new projects too frequently.

Progressive techniques for evaluating construction output and their application to assembly work remain a primary object of attention. Their effectiveness will facilitate the formulation of a system of technical parameters for efficiency. This will simplify design documentation and develop the conditions for the stimulation of technical development with positive impact on cost reductions.

Measures adopted in industry and construction support, in the level and relations between wholesale prices, the material objectives of the Eighth 5-Year Plan, state efficiency enhancing programs, the application of R&D results, efforts to achieve high product quality and export efficiency, and will at the same time have an impact on limitations to redistribution processes and state budget subsidies. They will also strengthen the function of the sales tax.

The practical efficiency of products, labor and services depends on the rationality of their new prices. This places great demands on the functioning of specific prices on production and consumption, and on assuring that principles are followed when modifying prices.

In conclusion I would like to summarize some of the national economic effects of the proposed measures which can play a role in achieving the new quality in planned increases in national income formation in the Eighth 5-Year Plan:

--new wholesale prices will become, above all, more rigorous national standard applying to specific products, labor and services. This will help to increase pressure for planned cost reductions in products, labor and services in the Eighth 5-Year Plan;

--a reduction in excessive profitability will improve the khozraschot connection between the formation of resources and the satisfaction of organizational requirements;

--pressure will increase for optimal utilization of capital assets and to arrest further declines in their efficiency;

--more favorable price conditions will also be developed for the introduction and utilization of R&D and new technologies through more rational price relationships. Differentiated profitability facilitates innovate processes and effective exports;

--the proposed reduction in wholesale prices of exports will make it possible to reduce current subsidies, facilitate exchange rate objectives and objectives in terms of financial and economic mechansims of foreign trade;

--reductions in wholesale prices of machinery and equipment will improve the relation beween the valuation of labor and of machinery.

Differentiated price reductions involve a number of difficult tasks that must be assured for practical purposes, within the year. For new prices to take effect as of 1 January 1988 new price lists must be at the disposal of planners by the beginning of the second quarter of 1987. This is not a simple matter. We have not succeeded so far in making such extensive adjustments in such a short time period. This adjustment will therefore require exceptional efforts by all affected agencies and a maximum of understanding and active cooperation by all national economic organizations.

9276/6662
CSO: 2400/308

NEW JOINT SOVIET ECONOMIC AGREEMENTS REPORTED

Budapest MTI in English 1320 GMT 2 Jul 86

[Text] Moscow, July 2 (MTI)--The 35th session of the Hungarian-Soviet Inter-Governmental Committee for Economic, Technical and Scientific Cooperation ended in Moscow on Wednesday. The negotiating parties were headed by Jozsef Marjai, deputy chairman of the Hungarian Council of Ministers, and Aleksey Antonov, deputy chairman of the Soviet Council of Ministers, co-chairmen of the committee. The session was attended by senior officials of the organs of central management, and managers of Soviet large-scale companies.

The session worked out measures for the implementation of the aims set during the Hungarian-Soviet summit meeting in Budapest in June this year. The committee surveyed the possibilities of the mutual expansion of bilateral trade turnover. The parties agreed to accelerate work aimed at strengthening production specialization and cooperation, widen the range of the new forms of cooperation, promote the establishment of direct contacts between companies, and encourage the foundation of joint economic organizations. According to the instructions of the summit meeting the session started to prepare for the extension to the post-1990 period of three major Hungarian-Soviet agreements on economic cooperation--the alumina-aluminum agreement, the agrochemical agreement, and the fruit and vegetable agreement.

In the framework of tasks concerning the implementation of the agreement, signed at prime ministerial level in the spring of 1985, on the main directions of Hungarian-Soviet economic, technical and scientific cooperation until the year 2000 the parties completed the coordination of the fundamental targets of the sectorial sub-programmes. The parties signed agreements on the directions of cooperation in the branches of the production of machinery for animal husbandry and fodder growing, the manufacture of light and food industrial machinery and household appliances, the production of machinery for the heavy industry and transport, radio-electronics industry, oil processing and petrol chemistry, and coal mining. The parties also signed two agreements on specialization and cooperation in the manufacture of food industrial machinery and equipment, and the development of technologies for lacquer and paint products, and the manufacture of the required machinery and equipment.

The parties signed an agreement on the extension to 1990 of the technical servicing of reciprocally delivered machinery, equipment and instruments. A

further agreement was signed on the setting up of a workforce to work out efficient methods for the utilization of the waste heat produced at power plants.

The session surveyed the development of Hungarian-Soviet trade turnover in 1986. It was established that in the first half of the year turnover corresponded to plan, the envisaged trade turnover accounting for almost 10,000 million rubles is covered by contracts, and exchange deliveries are in compliance with them. The parties agreed that, in addition to the trade expansion coordinated this year, they would make further efforts to increase turnover in 1986.

At the session six Hungarian and six Soviet industrial companies and a Soviet and a Hungarian agricultural unit reported on development of direct cooperation. Assessing experience the committee pointed out that direct contacts between the producing companies of the two countries help improve the efficiency of Hungarian-Soviet economic cooperation, and create new opportunities for expanding cooperation. To extend the range of companies with direct contacts is a mutual interest. These contacts must be based on such interest, and help reduce costs and use new technology in production. The committee held it necessary that the competent ministries and national authorities should do everything in their power for the development of such contacts and take measures to avert the still existing obstacles.

In the present stage the parties are examining the conditions of the establishment of twelve joint ventures. Issues of production and profitability have been discussed and legal and financial issues are the next on the agenda. During the session Jozsef Marjai held talks on the preparation of an intergovernmental agreement on the establishment of Hungarian-Soviet joint ventures and terms of operation.

The committee surveyed the possibilities of expanding Hungarian participation in the reconstruction of Soviet factories carried out under its previous decisions, mainly in light industry. The parties discussed the issues related to the reconstruction of the Likino Bus Factory. Under a previous agreement the Ikarus Body and Coach Building Factory, with the involvement of other Hungarian companies, is considerably contributing to the reconstruction carried out in Soviet general contractorship. The committee decided to accelerate joint reconstruction works.

The committee took measures to raise the technical standards of exchange deliveries. On Wednesday in Moscow Jozsef Marjai and Aleksey Antonov signed a protocol on the agreements and the coordinated tasks.

During his stay in Moscow Jozsef Marjai held talks with Ivan Arkhipov, first vice-chairman of the Soviet Council of Ministers, Boris Shcherbina, vice-chairman of the Soviet Council of Ministers, Lev Voronin, deputy prime minister and chairman of the State Commission for Material and Technical Supply, and Guriy Marchuk, deputy prime minister and chairman of the State Commission for Science and Technology, on current and long-term priority tasks in Hungarian-Soviet economic, technical and scientific cooperation, the

international economic and financial issues concerning the two countries, and joint tasks related to the further development of socialist integration. Jozsef Marjai also paid a visit to the Likino Bus Factory.

Jozsef Marjai returned from Moscow on Wednesday.

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CSO: 2020/174

BRIEFS

MINING ENTERPRISES FALL SHORT--Hungarian mining enterprises did not fulfill their plans for the first half of the year, although a few mines did exceed the plans. According to a briefing of the mining association 8.5 million tons of coal and 3 million tons of lignite were extracted over the 6-month period, i.e., somewhat less than originally planned. In Borsod, however, the plan was overfulfilled by 117,000 tons, and in Veszprem and Oroszlany miners achieved some successes in their work [Text] [Budapest Domestic Service in Hungarian 1400 GMT 2 Jul 86 LD]

SOCIALIST COUNTRIES' IMPORTS RISE--The price of Soviet-made Yunost television sets is to increase by nearly 9 percent on Monday [14 July], while prices of metalware imported from socialist countries will increase by nearly 7 percent. The iron and technical goods wholesale enterprises say the price rises are due to increased import costs. [Text] [Budapest Domestic Service in Hungarian 2000 GMT 13 Jul 86 LD]

STATE RAILWAYS PROBLEMS INCREASE--Western state railway officials were appointed to their posts today in Budapest. Ferenc Havasi, member of the MSZMP Politburo and secretary of the Central Committee, was present. Lajos Urban, Minister of Transportation, initiated the railway officer graduates with the following words: In recent years the unfavorable trends determining the position of the people's economy, and within it the position of the Hungarian state railways, have strengthened, output has dropped below the planned level, transport demands have decreased both internally and in external traffic, and the conditions for railway management have developed poorly. The Hungarian state railways must take steps to achieve higher standards in transportation and in management so as to ensure trouble-free operation. [Excerpts] [Budapest Domestic Service in Hungarian 1000 GMT 12 Jul 86 LD]

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CSO: 2500

LAW ON AGRICULTURAL, FOOD PLAN FOR 1986-90

AU061920 Bucharest SCINTEIA in Romanian 28 Jun 86 pp 3, 4

["Law on the Plan for the Development of Agriculture and Food Industry in the 1986-90 Period" adopted by the Grand National Assembly on 27 June in Bucharest]

[Text] The Grand National Assembly of the SR of Romania adopts the following law.

Article 1. The plan for the development of agriculture and the food industry in the 1986-90 period--drafted in accordance with the directives of the 13th RCP Congress and the decisions of the Third Congress of Management Councils in the Food Industry, Forestry, and Water Management--is adopted.

The major indexes for the development of agriculture and the food industry are as follows:

No	percentages, calculated on the basis of 1986 plan prices: Provisions for 1990 Compared to 1985	Average Annual Rate 1986-1990
1. Overall agricultural production (annual average for the 1986-90 period compared with 1981-85)	134.8-138.3	6.1-6.7
2. Net agricultural production (annual average for 1986-90 compared with 1981-85)	150.5-153.8	8.5-9.0
3. Volume of operations performed by stations for the mechanics of agriculture	107.9	1.5
4. Net industrial production	178.4	12.3
5. Industrial commodity production	161.5	10.1

6. Foreign trade volume of agricultural and food products (1986-90 compared with 1981-85)	130.4	5.4
7. Labor productivity calculated on the basis of commodity-output value		
-- in state agriculture	202.8	15.2
-- in the food industry	184.1	13.0
8. Investments for agriculture and the food industry from state funds and funds of cooperative organizations (1986-90)		
-- billion lei	189.0	
9. Deliveries of agricultural and food products to market stocks	130.8	5.5
10. Reduction of expenditures per 1,000-lei worth of commodity output		
-- Lei		
-- in agriculture:		
- state agricultural enterprises	229.3	
- stations for the mechanization of agriculture		
(per 1,000-lei worth of incomes)	89.0	
-- in industry -- total:	90.0	
of which:		
- material expenditures	59.0	
11. Services to the people	201.8	15.1
12. Peasantry's real incomes derived from work in agricultural production cooperatives and private farms, per active person	106.0-108.0	1.2-1.6

The main goal of the 1986-90 5-Year Plan is to accentuate the process of intensive development and to modernize and organize agriculture, a basic branch of the national economy, by applying the latest achievements of agricultural-zootechnical science and ensuring the economic-organizational strengthening of all agricultural units: in accordance with requirements of the new agrarian revolution, these units must attain sure and stable crops in all conditions and increase the vegetable and animal production, with a view to meeting all domestic consumption requirements and ensuring a surplus for export.

In order to implement the targets established by the 13th RCP Congress for the intensive development of the national economy, the food industry will pay particular attention to fulfilling tasks included in the programs for improving the organization and modernization of production processes, which aim at obtaining supplementary products by making full use of production facilities, better utilizing raw materials, diversifying the structural range of products, raising the technical and qualitative level of products, strengthening worker self-management and self-administration, and substantially increasing economic efficiency.

Article 2. By the end of 1990 the agricultural land area will total at least 15,700,000 hectares.

The cultivated arable land area will amount to at least 10,700,000 hectares; 2 million hectares will be planted with successive and secondary crops of corn, sunflowers, soybeans, sugar beets, beans, vegetables, and fodder crops.

The irrigated planted land will total 5,400,000 hectares, of which arable land will amount to 5,195,000 hectares.

Article 3. Given normal weather conditions in 1990, the following production levels will be achieved for the main agricultural products:

	unit of measurement	1990 levels
Grains for seed	thousand metric tons	32,470
-- wheat and rye	thousand metric tons	10,240
-- corn and sorghum	thousand metric tons	18,200
-- barley and double-row barley	thousand metric tons	3,600
Soybeans	thousand metric tons	985
Beans	thousand metric tons	405
Sunflower and rape	thousand metric tons	1,410
Sugar beets	thousand metric tons	11,625
Flax and hemp for fiber	thousand metric tons	935
Fall potatoes	thousand metric tons	8,500
Field vegetables	thousand metric tons	11,000
Fruits	thousand metric tons	3,200
Grapes	thousand metric tons	2,400
Meat on the hoof	thousand metric tons	4,012
Cow and buffalo cow's milk	thousand hectoliters	89,000
Wool	metric tons	69,000
Eggs	million units	9,600

The levels envisaged for agricultural production are the minimum. The Ministry of Agriculture and the county bodies will endeavor to exceed these provisions.

Article 4. By the end of 1990 livestock numbers will reach the following levels:

	unit of measurement	1990 levels
Cattle	thousand heads	11,000
of which:		
-- cows, buffalo cows, and heifers	thousand heads	4,600
Pigs	thousand heads	15,600
Sheep and goats	thousand heads	29,800
Egg-laying fowl	thousand heads	80,000

Article 5. On the basis of envisaged production, deliveries of main agricultural products to the state stocks will be as follows:

	unit of measurement	1990 levels
Wheat and rye	thousand metric tons	8,250
Corn and sorghum	thousand metric tons	6,000
Barley and double-row barley	thousand metric tons	600
Sunflowers and rape	thousand metric tons	1,395
Soybeans	thousand metric tons	925
Beans	thousand metric tons	210
Sugar beets	thousand metric tons	10,700
Flax and hemp for fiber	thousand metric tons	810
Fall potatoes	thousand metric tons	4,000
Field vegetables	thousand metric tons	5,000
Fruits	thousand metric tons	2,200
Grapes	thousand metric tons	1,860
Meat on the hoof	thousand metric tons	2,876
Cow and buffalo cow's milk	thousand hectoliters	49,000
Wool	metric tons	63,000
Eggs	million units	4,305

Article 6. In 1990 production of major food industry items will reach the following levels:

	unit of measurement	1990 levels	1990 compared with 1985 -- percentages
Slaughtered meat -- total	thousand metric tons	2,992	167
Processed meat	thousand metric tons	503	188
Canned meat	thousand metric tons	135	256
Prepared and semi-prepared meals	thousand metric tons	649	22 times
Fish	thousand metric tons	500	192
Milk for consumption	thousand hectoliters	11,000	191
Butter	thousand metric tons	100	212
Cheese	thousand metric tons	200	233

Edible oil	thousand metric tons	600	183
Sugar	thousand metric tons	1,000	200
Canned vegetables and fruit	thousand metric tons	620	239
Natural fruit juices and soft drinks -- total	thousand hectoliters	15,000	383

Article 7. In order to fulfill plan targets for accelerating the intensive development and modernization of agriculture in accordance with requirements of the new agrarian revolution, the Council of Ministers will see to it that the Ministry of Agriculture, the Ministry of the Food Industry and the Acquisition of Agricultural Products, the National Union of Agricultural Production Cooperatives, the Academy of Agricultural and Silvicultural Sciences, county agricultural bodies, and state and cooperative joint agroindustrial councils take steps to:

a) implement the task of expanding the agricultural land and rationally utilizing the entire agricultural and arable land and make full use of areas set up for irrigation;

b) establish the production potential of each plot and the measures to preserve and improve the soil's physical and chemical characteristics; increase the production capacity of agricultural fields, by carrying out land improvement operations, eliminating excessive moisture, and combating soil erosion and salinization; modernize irrigation and perform drainage operations with a view to making better use of irrigated areas;

c) ensure the necessary quantities of quality seeds and seedlings for all crops, in keeping with weather and soil conditions in each area, and perform agricultural operations at optimal times, by strictly observing specific technologies for each crop and fully utilizing the capacity of tractors and agricultural machines. Natural and chemical fertilizers will be applied on the basis of an agrochemical study of the soil differentiated on the basis of the nature of the crops, with a view to making most efficient use of fertilizers. Chemical ingredients for combating diseases, pests, and weeds will be applied within a uniform complex of measures, in order to substantially reduce the quantities applied, soil pollution, and material expenditures;

d) mechanize agricultural operations and perform them at optimal times, with a view to increasing production, avoiding losses, and reducing energy and fuel consumption;

e) develop vegetable and potato production in keeping with consumer requirements in each county, and needs for industrial and export purposes, by ensuring consumption of fresh vegetables for as long as possible each year;

f) modernize existing fruit- and vine-growing plantations and place new plantations on nonarable lands; apply appropriate technologies for specific varieties, with a view to increasing the fruit and grape yields;

g) increase the number of livestock and the average and total animal productions, by perfecting the selection, breeding, and, improvement of breeds, particularly in the case of cattle and sheep; increase the birth rate of animals and reduce losses; modernize livestock farms and units; and pay more attention to silkworm breeding, beekeeping, the breeding of rabbits and fur animals;

h) increase fodder production by increasing yields per hectare, both in the case of planted fodder crops and on natural pastures, expand secondary crops, and fully utilize all secondary products from agriculture and food industry, by also making appropriate use of stubble fields and grazing woods;

i) improve the organization of production and work in all agricultural units by strengthening order and discipline, increasing the spirit of responsibility by all levels, strictly observing production technologies, and performing all agricultural operations on schedule and at a high qualitative level; and increase labor productivity;

j) take steps in the food industry to organize and modernize technological processes and make full and better use of agricultural raw materials; fully utilize existing production capacities and build new small facilities close to raw material resources. Each unit's production should be diversified in order to reduce the transportation of products over long distances and secure the necessary supplies for local consumers;

k) increase efficiency in all agricultural and food industry units, reduce material expenditures, cut back on the consumption of raw and other materials, fuel, and energy, and increase the efficiency of fixed assets.

Article 8. In order to attain the envisaged agricultural production levels and ensure the technical-material base of agriculture, steps will be taken to:

a) conclude the work of organizing the territory by taking into account the need to plant crops on small plots of land and apply the crop rotation system, in order to facilitate a proper rotation of crops;

b) supply the agricultural sector throughout the 1986-90 period with tractors, including tractors for operations on slopes, multi-purpose and high capacity self-propelled grain harvesters, beet and potato harvesters, and other agricultural machines and equipment; the tractor fleet will reach 150,000 units by the end of this 5-year plan and the grain harvester fleet 62,000 units;

c) irrigate 2,644,000 hectares so that by the end of 1990 the irrigated area will total 5,600,000 hectares;

d) perform drainage work on 2,011,000 hectares and anti-soil erosion work on 965,000 hectares;

e) supply agriculture during this period with 14,500 metric tons of chemical fertilizers containing nitrogen, phosphorus, and potassium in terms of active ingredient and use 320 million metric tons of organic fertilizers.

Article 9. The Ministry of Agriculture, the county people's councils, the county agricultural directorates, and the agricultural producers commissions will assist private producers with seeds, seedlings, and valuable germination material; they will provide technical assistance and guidance with a view to attaining the largest possible vegetable and animal production.

State and cooperative joint agroindustrial councils and stations for the mechanization of agriculture will be responsible for agricultural results on the plots used by cooperative members.

Article 10. The total volume of investments in agriculture and food industry in the 1986-90 period will reach 189 billion lei; their main aim is to carry out land improvement operations, modernize vegetable and animal production, build new facilities and modernize old ones in the food industry, and create storage facilities for agricultural products.

In order to attain the planned investments, steps will be taken to:

a) commission the projects of the Ministry of Agriculture and the Ministry of the Food Industry and the Acquisition of Agricultural Products within planned deadlines, by acting to ensure economic-technical and execution blueprints, observing the established norms for the utilization of fixed assets, and carrying out a smooth and steady activity on worksites;

b) commendably complete investment projects, reduce the cost of operations by applying efficient technological and construction solutions, cutting back on the consumption of metal, cement, and other energy-intensive materials, making greater use of local materials, and reusing recoverable materials.

Article 11. The Council of Ministers will see to it that the Ministry of Agriculture, the Ministry of the Food Industry and Acquisition of Agricultural Products, the Academy of Agricultural and Silvicultural Sciences, and scientific-research units and enterprises primarily direct their activity of scientific research, technological development, and dissemination of technical progress toward:

a) elaborating new technologies for the improvement of poor soils; making efficient use of irrigated lands, rationally utilizing fertilizers and pest-killers; appropriately distributing strains and hybrids in various areas; and judiciously applying the crop rotation system and attain proper crop rotations;

b) creating new, better, and highly productive strains and hybrids of seeds and seedlings, which can resist low temperature, drought, other unfavorable weather conditions, diseases, and pests and have a high useful ingredient content;

c) improving and creating new animal breeds with a higher productive potential and elaborating new technologies aimed at better utilizing the fodder base, including new resources, reducing specific fodder consumption, rapidly increasing the productive potential of natural pastures and hayfields, and establishing more efficient methods for the prevention, diagnosis, and treatment of diseases;

d) making full use of agricultural raw materials and attaining nutritive products and prepared meals for a rational catering, in accordance with scientifically substantiated norms;

e) utilizing new biosynthetic resources and new resources of agricultural raw materials; attaining products rich in proteins, vitamins, and mineral salts, in accordance with the people's various requirements; and producing canned foodstuffs and prepared meals which preserve, to a large extent, the natural qualities of the products from which they were prepared;

f) increasing the extraction yield from sugar beet and other agricultural raw materials and the oil content of sunflowers and soybeans.

Article 12. To increase the efficiency of foreign trade and international economic cooperation in agriculture and the food industry, action will be taken to:

a) Ensure the planned supply of commodities intended for export by the specialization of production capacities and enterprises which will exclusively or mainly manufacture export goods in a variety, range and quality required by customers, thus ensuring a constant increase in the foreign currency revenues derived from products sold in foreign markets;

b) Ensure economic and scientific-technological cooperation within the framework of our country's economic relations, in the field of exchanges, and technological progress;

c) Utilize with maximum efficiency foreign currency funds allocated by plan for imports, while acting to primarily utilize raw and other materials, fuels, machines, and equipment from domestic resources and to cut back on foreign currency expenditures in goods transportation.

Article 13. Particular emphasis will be placed in the 1986-90 5-Year Plan on increasing economic efficiency, perfecting the operation of the new economic-financial mechanism, and on utilizing all resources with maximum efficiency.

Article 14. To increase economic efficiency in all agricultural units, measures will be taken to establish the size of vegetable growing and animal breeding farms optimally, to set norms for the working personnel in relationship with production tasks, to increase labor productivity according to plan and reduce production costs, and to strictly observe the norms on costs established for each separate product.

Article 15. In 1990 the level of production costs in state agricultural enterprises will be cut back by 229.3 lei per 1,000 lei worth of production, by 89 lei in stations for the mechanization of agriculture and by 90 lei in industrial units of the Ministry of the Food Industry and the Acquisition of Agricultural Products compared with 1985.

For this purpose, each economic unit in agriculture and the food industry must take measures to strengthen worker self-management and economic-financial

self-administration, thus ensuring, within the income and expenditure budget, that expenditures are covered from the unit's own resources and that maximum profits are achieved.

Article 16. The volume of peasants' real incomes derived from work performed in agricultural production cooperatives and from private farming--calculated per active person--will increase 6-8 percent by 1990 compared with 1985.

Article 17. The indexes of the development plan for agriculture and the food industry in the 1986-90 period will be distributed for each year and plan holder by State Council decrees.

Article 18. The Council of Ministers, the Ministry of Agriculture, the Ministry of the Food Industry and the Acquisition of Agricultural Products, central departments and enterprises, and the executive committees of the county and Bucharest Municipal people's councils bear responsibility for the complete implementation of the plan provisions on the development of agriculture and food industry in the 1986-90 period. For this purpose, they will take steps so that plan tasks are fulfilled in the most favorable conditions and that economic efficiency is being increased in all areas in agriculture and the food industry.

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'HIGHER QUALITY OF LIFE' ENVISAGED FOR 1986-90

AU080740 Bucharest AGERPRES in English 0648 GMT 8 Jul 86

[Text] Bucharest AGERPRES 8/7/1986--According to Romania's current five-year plan, real pay will rise at an average annual rate of 1.2-1.6 percent, so that its level in 1990 may be six-eight percent up from 1985. The same average annual rate and a similar final level will be recorded in the case of the farmer's real incomes derived from work done on producer cooperative farms and individual farmsteads. The plan envisages an increase of retail sales at an average annual rate of 1.8 percent, a level of 9.1 percent as to 1985 being reached in the last year of the quinquennium. A higher quality of life will be attained, in line with world trends and the requirements for modern civilization to include a wide and diverse range of aspects of both material and spritual life. This is what the fast-pace increase of services to the population--the volume of which will grow by roughly 89 percent in the 1986-1990 period--suggests. All this will entail further progress in raising the quality of life, which will imply more than a mere acquisition of commodities. Special importance is attached to the creation of conditions for a useful spending of leisure with the shorter, 44-42-hour, workweek in the offing. The respective services are also aimed at improving living conditions and increasing the number of appliances in each household, at bettering health care, recreation, sporting and tourist activities.

Just like all the provisions under the plan, the guidelines for a rise in the quality of life are directly dependent on a higher quality of work and management in all areas of activity.

The provisions concerning the development of counties and the economic and social planning of the territory make up a chapter which bespeaks the dialectical bendling of the country's general progress with the quality of life. The forces of production will further be distributed according to the criterion of a balanced development of all zones, so that inhabitants throughout the territory may benefit from the conditions of general progress. During this five-year period, 750 thousand new dwellings will be built, of which 100 thousand in communes and villages. Action will be taken to diversify housing construction, in line with planning projects, with a view to creating a modern network of localities.

The aggregate of measures to provide for an ever more dignified existence is rounded off by the provisions for the improvement of education, health care and social welfare. Special attention will be paid to the prevention of diseases, as a medicine of the healthy man will be practised. The plan underscores the need for an efficient use of the material base of culture, physical education and sports, instruction and health care.

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ECONOMY ROMANIA

INDUSTRIAL PRODUCTION OF BIOGAS EXPECTED

AU091302 Bucharest AGERPRES in English 1113 GMT 9 Jul 86

[Text] Bucharest, AGERPRES 9/7/1986--A biogas installation has become operative at the Timisoara agroindustrial unit, having a 700 cu.m. useful capacity and being apt to turn out 928 cu.m. of biogas. It has been built after plans worked out by the Bucharest Research and Draughting Institute for cleaning waters used in the chemical industry. This is virtually the first industrial module to incorporate all the resolutions found by the Romanian research in the field. Its efficiency is high when considering the production of biogas on the one hand, and the cost of neutralizing dejections, eliminating the sources of pollution and returning to agricultural use the land previously used to dump animal dejections on, on the other. Also to be taken into consideration is the value of the fertilizers that are generated as by-products, containing nitrogen, phosphorus and potassium.

Research conducted in Romania to capitalize on biogas has taken two lines: industrial stations and units for homesteads. Plans have been worked out both for large farms apt to breed 50,000 pigs, and for homes. The plan for the current year stipulates the construction of installations to generate the equivalent of 14,000 tons of conventional fuel, and until the year 1990 these installations are expected to help save 80,000 tons of conventional fuel. Private homes already operate several hundred such installations that generate between 5 and 50 cu.m. biogas daily.

According to a guideline programme regarding research and development in the field of energy until the year 2000, the whole of nonconventional sources of energy is to grow in Romania exponentially. According to this programme in 1990 the energy generated by nonconventional sources will replace between 3.9 and 5.4 million tons of conventional fuel.

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ECONOMY ROMANIA

MACHINE-BUILDING POTENTIAL IN INDUSTRY, EXPORT

AU090950 Bucharest AGERPRES in English 0913 GMT 9 Jul 86

[Text] Bucharest, AGERPRES 9/7/1986--Machine building has the highest potential within Romania's industry, contributing 29.2 per cent to the national industrial production and 33.6 per cent to the country's export. In the last twenty years the annual average growth rate of its production--13.2 per cent--outgrew 1.2 times the growth rate of industry as a whole. This dynamics is the natural result of the earmarking of important resources to machine-building (one quarter of the investments made in the whole industry). The dynamics of the main indices of development outdistances the dynamics of industry as a whole. Expenditures on scientific research, technological development and introduction of technical progress account for some 2 per cent of the value of the marketable output of the branch. The research staff account for some 28 per cent of the total working personnel of the branch. Actually machine-building enrolls the largest detachment of the working class in Romania (over one third of the working personnel). In token of valuation and recognition of the contribution made to the country's development, the machine-builders are celebrated every year in the second Sunday of July.

In the 1986-1990 five-year period the machine-builders are to increase the marketable industrial output at an annual average rate of 10.3 per cent. Through its wide scope and varied structure, the production of the branch will meet 75 per cent of the specific requirements of the economy and will ensure the doubling of the exports. The new and updated products will cover 46 per cent of the branches marketable output. Major development will record electronics, robotics, fine mechanics, optics and hydraulics, that will make an important contribution to the process of updating and automating the whole industry. Of the new technologies now in the process of application we mention the electronic flow thermal treatment, the laser and ultrasound metal cutting. As a matter of fact, the increase of the branch's productivity will rely 60 per cent on technical progress. The structure of production will be radically improved according to criteria close to the structure of international request, maintaining a high grade of specialization of export for Romania products that have made a name for themselves in the international market.

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RESULTS, PROSPECTS OF FOREST CONSERVATION NOTED

AU091019 Bucharest AGERPRES in English 0955 GMT 9 Jul 86

[Text] Bucharest, AGERPRES 9/7/1986--Ten years ago Romania endorsed a national forest conservation and development programme over 1976-2010. In retrospect, it can be arguably said that its principal provisions were fulfilled to the letter. So, for instance, another 35,000 hectares were added to the country's woodlands over 1976-1985, mainly through the expansion of valuable autochthonous deciduous-tree plantations. Moreover, forest regeneration works were performed on 580,000 hectares (88,000 hectares more than planned). The structure of forests was also improved--as newly afforested areas were stocked mostly with birch and oak, which has been conducive to a growing share of broad-leaved trees: from 37 per cent in 1976-1980, to nearly 50 per cent at present.

Future concerns focus on imparting greater ecologic stability and improving environmental factors, all while preserving the forests' valuable genetic stock, with special stress laid on oak forests. There will also be a rise in the share of forests discharging special protection functions: from 32 per cent in 1985, up to 36-37 per cent in 1990.

Wood removal technologies will be applied in oak forests growing in hilly regions, to avoid overfelling through gradual cuttings, thereby guaranteeing forest conservation, in step with boosting its protection functions.

Special attention is attached to high- and medium-yield forests, whence valuable wood products are derived, especially logs for veneers or plywood.

Emphasis is placed on natural forest regeneration, through the promotion of valuable autochthonous species--oak, birch, ash, sycamore maple, cherry, lime, fir, spruce and larix--grown for both industrial and ecological purposes.

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ECONOMY ROMANIA

DEVELOPMENTS IN TELECOMMUNICATIONS REPORTED

AU101051 Bucharest AGERPRES in English 0947 GMT 10 Jul 86

[Text] Bucharest AGERPRES 10/7/1986--Romania compares with any European country in point of number of telephone subscribers in 100 inhabitants. Ninety percent of interurban telephone lines are automated, and the number of localities with which telephone connections are automatically made tops 300.

Interurban transmissions are made both through cables and through radio relays. Most of the transmission equipment are manufactured in the country.

A satellite station was built to extend international connections, which virtually provides for links with all the countries of the world.

An important role in the development of telecommunications is played by technical-scientific research work. So, Romanian researchers worked out multiplex telephone equipment which enable 900 or even 2,700 telephone calls on twin wires of the coaxial cable. A modern transmission equipment called PCM (pulse coded modulation system) is being manufactured on a large scale, which allows for the simultaneous transmission of 30 telephone calls on usual twin wires of the urban telephone cable. For relatively short-distance, under 100 km. connections, Romanian experts designed special radio-relay equipment which transmit 30 or 120 telephone calls.

Romanian researchers in telecommunications worked out a modern equipment with microprocessor, which allows for the connection of 50 telephone posts on only 12 twin wires of usual cable.

The intensive utilization of computation technique enables automatic supply of data on the operation of telecommunication equipment which are processed by computers that set "diagnoses" on possible faults and convey them to the control unit. Such a unit can be found in Bucharest and several others are under construction in Brasov, Bacau, Cluj-Napoca, Craiova and Timisoara which will control the whole telephone network.

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BRIEFS

CHEMISTRY, PETROCHEMISTRY GROWTH--Bucharest AGERPRES 8/7/1986--Over the 1986-1990 interval, the production of the chemical and crude processing industries will go up 62.5 per cent as compared to the 1981-1985 five-year period, to average an annual development rate of 10.2 per cent, one of the highest in the all-country industry. By the end of the interval, (1990), chemistry and petrochemistry will have turned out: 267,000 tons synthetic rubber (by 71 per cent more than in 1985), over 9.2 million tyres (64 per cent), about 460,000 tons artificial and man-made fibres and yarn (78 per cent), 4.5 million tons fertilizers 100 per cent high-analysis (45 per cent), an amount that is twice as much as in 1985. The fine synthesis and small-tonnage production and the production of materials and pure and ultrapure chemical substances needed in the electrotechnological and electronic industry, of high-efficiency catalysts, of furnishings for the textile, footwear, rubber and plastics industries have grown considerably. The production of dyes, detergents, cosmetics and perfumes is developing and diversifying and in medicines priority is given to the expansion of biosynthesis and fine synthesis products, to the capitalization of herbs, bee and animal extracts. In accordance with agricultural demands, in the subbranch of chemical substances a proper ratio is ensured between nitrogen, phosphate and potassium fertilizers. [Text] [Bucharest AGERPRES in English 0850 GMT 8 Jul 86 AU]

PROGRESS, CAPACITY OF CANAL--Bucharest AGERPRES 9/7/1986--Building operations proceed at a fast pace on the site of Romania's Poarta Alba-Midia Navodari Canal, which will branch off from the Danube-Black Sea Canal. Excavations and terracing works were recently completed on a 5-km-long section of the canal, which is now filled with water for testing. Building operations are also under way at the two locks--Poarta Alba and Ovidiu, where the metal gates are mounted. The Poarta Alba-Midia Navodari Canal branches off from the Danube-Black Sea Canal near the locality of Poarta Alba (km 35) and runs northeast, flowing into the sea north of the Port City of Constanta, at Cape Midia. The future 31-km-long waterway will have a 35-50 m width at bottom, and it will be 5.5 m deep. It will handle river- and sea-going vessels of up to 5,000 dwt, as well as convoys of six barges of 3,000 dwt each. Ports will be built on the canal at Ovidiu, Luminita and Midia, as well as seven road and rail bridges. In a first stage, the canal will handle a traffic of five to seven million tons of goods annually. In future its handling capacity can be extended to nearly 15 million tons of goods per year. [Text] [Bucharest AGERPRES in English 0958 GMT 9 Jul 86 AU]

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INADEQUACY OF INCOME LEVELS NOTED

Belgrade NEDELJNE INFORMATIVNE NOVINE in Serbo-Croatian 18 May 86 pp 20-21

[Article by Dusan Sekulic, table by Toma Milisavljevic of the Market Research Institute: "Whose Salaries To Cut?"]

[Text] Again it turns out that many things have been turned topsy-turvy in our country, and what in a normal world would be a reason for joy and pride represents a problem for us. The nominal average earnings of employed Yugoslavs have risen essentially over last year: In the first quarter of this year they were up 99 percent over last year. Of course, thanks to inflation the average earning has risen 8 percent in real terms, although even then it is 25 percent lower than it was in 1979. And instead of expressing joy and satisfaction on that account, instead of nourishing a hope that we have finally turned our back on the "seven lean cows," the most frequent disposition among the eminent economic experts is concern. That concern is sometimes greater than it was at the time when earnings were falling 5 percent, 10 percent, and 15 percent.

Over the last several months of last year and the beginning of this one economic experts issued several warnings to the effect that the sudden increase in the total amount of personal incomes paid out marked the beginning of a baneful new process in the otherwise seriously ill Yugoslav economic organism. The last one was uttered by Dr Zoran Pjanic, rector of Belgrade University, in a meeting of the Belgrade Municipal Committee of the LC, who expressed the opinion that the political structures had deliberately allowed the uncontrolled growth of earnings out of line with productivity so that they might improve the atmosphere in the population at the time of the elections and congresses.

The Market Basket and the Envelope

In one of his first statements after being elected the new chairman of the Serbian Republic Executive Council Desimir Jeftic, however, emphasized that his many years of experience in direct production bore witness to how impossible it was to anticipate better work and greater effort without decent personal incomes and a clear opportunity to influence their level through one's own work.

In the preparations for the congress of the Yugoslav trade unions, a similar disposition prevailed among officials and staff specialists in the Trade Union Center. As far as is known, the congress documents will explicitly demand changes which will make it possible for employed Yugoslavs to obtain decent earnings for normal and prescribed work. The trade unions reject any sort of "blame" that might be cast on personal incomes, especially because the constant 6-year drop in real earnings up to this point has brought almost no results whatsoever, so that the sacrifices on the part of an immense part of the working class, which sometimes has been brought to the edge of survival, have in practical terms been in vain. At the same time it is crystal clear that the workers are least of all to blame that the desired results have not come about. So not only will the trade unions no longer support demands for restraining and reducing personal incomes while they are on the border which affords normal reproduction of the worker family, but they are demanding that the principle already adopted of giving earnings preference when payments are made should be broadened so as to establish the practice whereby a work organization which cannot pay normal personal incomes would be ready for the padlock.

What does it mean to say a "decent" personal income? One of the most reliable criteria is the traditional family market basket of the Market Research Institute. According to the figures of Toma Milisavljevic, specialist in the Market Research Institute, the necessary costs of an average four-member family amounted to 154,000 dinars in April 1986, while at the same time the income of that same average family was only 105,000 dinars. In practical terms this means that since the average Yugoslav four-member family is receiving a monthly average of 1.6 personal incomes, the decent salary should be 100,000, or 10 million old dinars per month. But in April it was 65,600 dinars.

Judging by that, in the future the employed Yugoslav cannot anticipate any more than moderate rise of average personal incomes, since they are still considerably below needs and below the level achieved in 1979, which is now so far away, unattainable and from this distance seems so wonderful. There can only be discussion about which is older, the chicken or the egg: Should all 6.5 million employed Yugoslavs first work harder in order to receive a fatter pay envelope, or should they first be offered motivation and incentives? In the meantime we have all had many occasions to become convinced that earnings usually do not depend on callouses, scraped backs, or headaches, but on certain other elements which do not have much to do with personal effort. Decisions are made concerning those elements in self-management caucuses.

Injustices and Illogicalities

Many injustices and illogicalities in past years are exacerbated still more at present and are becoming instances of incoherence. At the moment a teacher in Serbia earns up to 10 "million" a month, which is good after long decades of getting by on a beggar's cane, but it is not good when at the same time a pediatrician in the same town earns 7 "million," or when a man who got a pension yesterday is getting 11 million, and the one who took his job is still getting 8. The disorder is still greater when comparisons are made between republics and provinces.

Whereas in Slovenia it is no longer a sensation at all to earn 200,000-300,000, the same job in Macedonia brings in one-third as much. The most recent rise in the total amount of personal incomes paid out is only increasing those differences still more. In the first 4 months of this year total personal incomes paid out in Slovenia were up 114 percent over a year earlier. In Croatia 101 percent, in Serbia proper 100, in Bosnia-Hercegovina 92, in Montenegro 90, in Kosovo 102, in Vojvodina 87, and in Macedonia only 85 percent. When this is compared to the results of economic activity and especially to productivity, it is clear that there is really no kind of logic or principle here at all any longer, but it is rather a case of everyone get as much as he can. The same thing applies to individual work organizations.

Nevertheless, there is some sense in every nonsense. Decisions on raising earnings have not been dictated only by the awareness that nothing has been achieved with 6 years of sacrifice, nor only by the everyday awareness that the pay is not enough to live on. People are becoming aware that it is not logical to expect of this Federal Executive Council any sort of shock treatment, and in the mind of the ordinary man this is interpreted as a future of deep freeze in spite of assurances to the contrary. No one wants to be at the prseent level when that moment comes.

Whether the "freeze" will be forthcoming or not, one thing is completely clear. There is obviously no basis whatsoever for the idea that under the present conditions the workers will realize that they need to make a strenuous effort for things to be better. Nor can any sort of resolutions, agreements, or even laws force the self-managers to reconcile themselves to earnings below the subsistence level. Whatever therapy is applied, it must afford earnings on which one can live, and before any sort of administrative measures, injustices which cannot be tolerated must be "ironed out." Few are interested in more than that, since few believe that it is possible that we will soon see the changes which represent the only way out of the tunnel.

The Market Basket as a Well

Necessary Expenditures of Four-Member Family	Apr 85	Apr 86	Index Apr 86/Apr 85
1. Food (total)	33,977	66,212	195
--Flour and products made from flour	4,074	7,304	179
--Fresh and processed vegetables	4,821	9,107	189
--Fresh and processed fruit	3,654	9,024	247
--Fresh and processed meat	9,744	18,399	189
--Fresh and processed fish	1,069	2,179	204
--Fats and oils	1,214	2,412	199
--Milk and dairy products	4,902	9,150	187
--Other foodstuffs	4,499	8,637	192
2. Tobacco and beverages	3,986	7,942	199
3. Clothing	7,975	14,210	178
4. Footwear	2,775	4,984	180
5. Housing, heating, and lighting	10,393	18,769	181
6. Furniture and housewares	7,515	13,494	180

Table (continued)

Necessary Expenditures of Four-Member Family	Apr 85	Apr 86	Index Apr 86/Apr 85
7. Hygiene and health	5,012	9,188	183
8. Education and culture	3,827	6,714	175
9. Transportation and postal services	6,870	12,578	183
Total	82,330	154,091	187

Average earnings of a four-member family in April 1986 = 104,600 dinars.
Average personal income in April 1986 = 65,600.

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CSO: 2800/302

POLITICS BULGARIA

TURKEY'S OZAL VISIT TO NORTHERN CYPRUS DENOUNCED

AU090809 Sofia BTA in English 0724 GMT 9 Jul 86

[Text] Sofia, 9 Jul (BTA)--The visit of Turkey's Prime Minister Mr Turgut Ozal to the pseudo-state called "the Turkish Republic of Northern Cyprus" is a provocation against the sovereign and independent Republic of Cyprus, member of the UN, as well as against this world organization itself. It is also a provocation against peace and security in the region of the Middle East and the Eastern Mediterranean, the journalist Dimitur Shishmanov writes in the latest issue of the VECHERNI NOVINI daily.

Mr Ozal's call for the recognition of this false state failed to receive a positive response. To the contrary, it became an occasion for many states, including Turkey's allies in NATO, to declare once again that they donot recognize and do not intend to recognize this "state" the author points out.

According to him, this visit was also an occasion to once again raise the issue of the necessity for the withdrawal of the Turkish occupational troops and for the restoration of the territorial integrity and independence of the Republic of Cyprus.

Mr Dimitur Shishmanov points out that this visit has increased the tensions between the Cypriotic Greeks and the Cypriotic Turks and between Greece and Turkey. It has also deteriorated Turkey's relations with the UN and the EEC and has put the Atlantic allies into an awkward position.

Will the EEC, the European Council and their parliaments which under U.S. and NATO pressure undertook steps to normalizing the relations with Turkey, which were frozen after the 1980 military group because of the violation of human rights in that country, draw the necessary conclusions, the author asks winding up his article.

/9604
CSO: 2200/151

GENOCIDE ALLEGED AGAINST BULGARIANS IN TURKEY

AU031553 Sofia BTA in English 1358 GMT 3 Jul 86

["There Was Bulgarian Genocide in Turkey Too"--BTA headline]

[Text] Sofia, 3 July (BTA)--"Bulgarians had been subjected to genocide in Turkey too. If it had not been for that, the Bulgarians would have been one of the biggest nations in Europe," reads an article by the journalist Dimitur Shishmanov, published in OTECHESTVEN FRONT.

The article was published in two parts and in two successive issues of the paper.

The author notes that all peoples who fell under Ottoman oppression were subjected to forcible assimilation, accompanied by genocide and the elimination of their national cultures. This process continued throughout the five centuries of oppression, and even went on after Bulgaria's independence (1878) for the Bulgarian population that remained within the Turkish boundaries.

The author quotes a number of European, Turkish and American politicians, public figures, writers and journalists whose writings serve as evidence of the genocide against the Bulgarians in the old Turkish empire. Among those quoted are famous Russian writers, Victor Hugo, the Spaniard Jose Fernandez Bremon, the American McGahan, the Turkish historian Ismail Hakki Uzuncarsili. In 1978 the grand vizier Mithad Pasha, who was later to become prime minister of the Turkish Empire, wrote the following: "There are more than a million Moslems among the Bulgarians. These Moslems have not come here from Asia, as is generally assumed. They are the ancestors of all those Bulgarians who have been converted to Islam during the age of the conquests and in the years that followed it."

The author of the feature dwells in greater detail on the fate of Bulgarians in Eastern Thrace who, according to the reports of different European scholars, numbered 200,000 to 300,000 at the turn of the century. Seventy thousand of them have been driven away after the liberation in 1878. In 1903, during the bloody quelling of the Ilinden-Preobrazhenie uprising, the Turks burned down 66 Bulgarian villages in that region and killed more than 2,600 Bulgarians.

"The year 1913 was the most tragic year for the Bulgarian population in Eastern Thrace," Mr Shishmanov writes. "This was the year of the complete debulgarization of that area, which had been inhabited by a compact Bulgarian population. During their summer offensive (in the second Balkan war), the Turkish troops exterminated part of the Bulgarians, others were abducted to Anatolia where they were forcibly turned Turks and Islamized, and the greatest number were driven away from their homes."

"That is how the question of the Bulgarian national minority in Eastern Thrace was 'settled'" Mr Dimitur Shishmanov notes.

He quotes from memoirs on the tragedy of the large Bulgarian village of Bulgarkoy, and he goes on to indicate that it was a common practice for the authorities at that time to try and impute their own brutalities to the victims and to protest all over Europe about "Bulgarian" and "Armenian" barbarities.

The author tells about the Turkish authorities' manipulation of census data in 1913, 1925, 1935, 1965 and 1985. "The results of the population census in October 1985," Mr Shishmanov writes, "no longer contain any data on mother tongue, and Bulgarian Mohammedans are also classified as 'Turks,' as are the 12 million Kurds, Arabs, Circassians and Lazes. There are almost no Christians left in Turkey, while there used to be millions of them."

The article emphasizes that at present Bulgarians would have been a 20-million nation--according to science-based estimates--were it not for the five centuries of Ottoman domination.

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CSO: 2200/151

POLITICS BULGARIA

SVILENGRAD BORDER OFFICIAL INTERVIEWED

AU091251 Sofia RABOTNICHESKO DELO in Bulgarian 7 Jul 86 p 2

[Interview given by Nikola Zafirov, deputy chief of the Ministry of Interior Rayon Administration in Svilengrad, to Dragomir Penchovski, special RABOTNICHESKO DELO correspondent in Svilengrad; first paragraph is newspaper's introduction]

[Text] The southern sun was still hot. It was late afternoon. The beauty of the town of Svilengrad could be seen from the last turn of the road. Deputy Chief Nikola Zafirov welcomed us at the rayon administration of the Ministry of Interior and we began a talk about the problems connected with the observance of public order. The first words he addressed to us were the most characteristic for the issues of this area:

[Zafirov] The Svilengrad settlement system expands over an area with a rich historical past and a heroic population. Svilengrad was burned down on several occasions. Despite all this, today and forever the descendants of those heroes will remain loyal to the legacy of their ancestors--to be true Bulgarians, who in spite of the misfortunes of the epoch following the liberation from the Ottoman yoke, did not abandon these territories and their native homes. Today, they still remain here--they are strongly attached to the soil.

[Penchovski] These people are characterized by great vigilance. Are violations of public order frequent in this place?

[Zafirov] We cannot speak about frequent violations, it would be more wxact to speak about--occasional ones. Our rayon administration serves two settlement systems--the Svilengrad system and the settlement system with Lyubimets as its center. Let us, first of all, base ourselves on facts which represent prerequisites for violations. Numerous people from other okrugs have come to work here. The "Kalotina-Kapitan Andreevo international highway E-80" also crosses the area. There is a large influx of "transit tourists." Some of them try to establish contact with Bulgarian citizens with dishonest intentions. We also meet violators of the passport-border regulations. This is why our basic task is to reduce the opportunities for violations to a minimum. We must point out the good results achieved in the observance of public order by the subdetachments in which Officer Blagoy Boshnakov, Sergeant Major Georgi Proykov, and others are serving.

[Penchovski] The successes are beyond any doubt. However, everyone is aware of the fact--from the sergeant major to the officer--that there are still opportunities for new achievements, is it not so?

[Zafirov] Naturally, the local population does not remain passive. The local people participate very actively in the protection of the borders in cooperation with us. The work of the voluntary detachments of working people is very useful. Participating in joint fatigue duty, they are in constant contact with the duty officers. Whenever they notice even the least violation, they immediately alert us. This is also the case with protecting economic property against violations and waste. We have adopted measures in all enterprises for the establishment of a strict security order. During the harvest campaign we involve detachments of Komsomol members and pioneers, who watch over the fields, trying to prevent fires. Let us take one example--from last year, in 1985. The pioneers Milka Karcheva and Tanya Kolarova were taking a walk through the city. They noticed a truck with foreign registration number plates which was moving at an exceedingly slow pace and which stopped in the center. The driver talked to two youths, after which he thrust some kind of package into their hands. The children alerted us about what they saw. When we arrested the violator, he admitted that he had tried to make an illegal deal with smuggled goods.

[Penchovski] We parted from the kind hosts, feeling inspired by their description of the daily lives of the Ministry of Interior functionaries in this border area, lives filled with intense activities.

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CSO: 2200/151

BRIEFS

DELEGATE ADDRESSES EAST-WEST MEETING--Rome, 3 Jul (BTA correspondent)--On its second day, the international meeting "Dialogue As a Universal Basis of Peace" considered East-West and North-South relations. The East-West dialogue section was addressed by Mr Petur Vutov, president of the Bulgarian Interparliamentary Group. He pointed out that if we can speak today of a true dialogue in the interest of peace between the two contending social systems, it is the socialist countries and above all the Soviet Union which take the credit. Dwelling on Bulgaria's contribution to the promotion of East-West dialogue, the President of the Bulgarian Interparliamentary Group said that Bulgaria works actively for the establishment of a Balkan nuclear- and chemical-weapon-free zone and for the signing of a treaty on environmental protection on the peninsula. The latter initiative could be joined by all countries on the old continent, the speaker said. He noted that Bulgaria wants to sign bilateral agreements with all Balkan countries, which should include, as a basic provision, the maintenance of active goodneighbor relations. It was announced that arrangements are being made for the convocation already before the end of this year in Sofia of a Balkan Interparliamentary Conference to discuss the ways for turning the Balkans into a nuclear- and chemical-weapon-free zone. [Text] [Sofia BTA in English 1736 GMT 3 Jul 86] /9604

OFFICIALS RECEIVE VENEZUELA'S CARPIO--Sofia, 2 Jul (BTA)--Today, Mr Petur Tanchev, secretary of the Bulgarian Agrarian Party (BZNS) and first vice-president of the State Council, received the outstanding member of the Accion Democratica (AD) Party of Venezuela, Mr Ruben Carpio, senator and chairman of the International Policy Committee of the Congress. The guest was acquainted with Bulgaria's development and with the new stage in her agrarian policy. Mr Ruben Carpio stressed that with her peaceful foreign policy Bulgaria is making a considerable contribution to the consolidation of the international relations. The talks stressed the mutual striving for promoting the established cooperation between the BZNS and the AD. They expressed support for the constructive proposals of the Soviet Union, of the socialist countries and of other peace-loving states for preventing a nuclear war. Today, Mr Milko Balev, member of the Politburo of the CC of the BCP and chairman of the Foreign Policy Commission of the National Assembly, received Mr Ruben Carpio. At the meeting they exchanged opinions on topical issues of the international situation and expressed the readiness of Bulgaria and Venezuela to further promote the relations of friendship and cooperation among them. [Text] [Sofia BTA in English 1719 GMT 2 Jul 86] /9604

ZHIVKOV RECEIVES SPANISH CHURCHMAN--Sofia, 4 Jul (BTA)--Today State Council President Todor Zhivkov received the Reverend Bartolome V. Fiol, personal chaplain to King Juan Carlos I of Spain and president of the Foundation for Man in Spain, and the poet and playwright SR Manuel Munoz Hidalgo, who are visiting here at the invitation of the Lyudmila Zhivkova International Foundation. They discussed problems concerning the promotion of cultural ties between Bulgaria and Spain. During their visit to Bulgaria, the Spanish guests met prominent artists and intellectuals. The principal purpose of their trip was to explore the opportunities for cooperation between the Lyudmila Zhivkova International Foundation and the Foundation for Man in Spain. [Text] [Sofia BTA in English 1340 GMT 4 Jul 86] /9604

CSO: 2200/151

POLITICS CZECHOSLOVAKIA

STROUGAL CONFIRMS SOLIDARITY WITH NAMIBIA IN MESSAGE

LD081028 Prague Domestic Service in Czech 0900 GMT 8 Jul 86

[Text] Federal Premier Lubomir Strougal sent a message to Vienna to delegates of the international conference on immediate independence of Namibia. It says that in Czechoslovakia, deep concern and sharp condemnation is evoked by the Republic of South Africa's [RSA] unlawful occupation of Namibia, its contempt of UN Security Council and UN General Assembly resolutions, and the ruthless repression and exploitation of the Namibian people. This policy of apartheid conducted by the RSA, together with aggression toward independent African states, represents a serious threat to international peace and security.

The message also says that Czechoslovakia confirms its constant solidarity with the struggle of the South West People's organization, the only lawful representative of people of Namibia, and condemns the cooperation of western states with the racist RSA regime.

Czechoslovakia speaks in favor of granting full freedom and independence to people of Namibia and remains firmly determined to participate in the international effort which aims to isolate the regime of the RSA and to grant immediate independence to the people of Namibia.

In the conclusion of the message, Comrade Lubomir Strougal expressed the conviction that the deliberations of the international conference for the immediate granting of independence to Namibia would contribute to the successful culmination of the years-long international effort for the liberation of the people of Namibia from the shameful colonial and racist slavery.

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CSO: 2400/342

POLITICS

CZECHOSLOVAKIA

VENEZUELAN FOREIGN MINISTER HOLDS PRESS CONFERENCE IN PRAGUE

LD082226 Prague Television Service in Czech and Slovak 1730 GMT 8 Jul 86

[Interview with Venezuelan Foreign Minister Simon Alberto Consalvi, by unidentified interviewer; date and place not specified--Consalvi's answers in Spanish with superimposed Czech translation; no video available]

[Text] [Interviewer] Sir, the people of Czechoslovakia value Venezuela's peace policy on the world scale and, in particular, on the Latin American scale. In view of the situation in Central America, what position is held by the Contadora Group of which Venezuela is a member?

[Consalvi] As we told the UN General Secretary, we expect--given the current situation in Central America--that new steps must now be undertaken by the states there, as much as within their possibilities, to find definite wording of an act on peace in Central America. We, the ministers of foreign affairs of the Contadora Group, continue to be willing to help in achieving peace and seeking mutual understanding and trust between the countries of Central America.

[Interviewer] Sir, what are the prospects of further relations between Czechoslovakia and Venezuela?

[Consalvi] Czechoslovak Foreign Minister Bohuslav Chnoupek visited Venezuela in 1976. My present visit is the first trip of a Venezuelan foreign minister to Czechoslovakia and the first contact of this sort on behalf of the new government toward the socialist countries. I am honored to be a guest in this country which we, the Latin Americans and particularly the Venezuelans, admire so much. I met Premier Strougal yesterday. Today we continued talks with the minister of foreign affairs. I can say that these talks have been frank, cordial, and wide-ranging. Tomorrow I shall have the honor to visit your president. I would say that relations between Czechoslovakia and Venezuela are developing in a progressive manner and we have great interest in their further expansion. We attach great significance to the regular meetings of deputy ministers of foreign affairs, in the political sphere. In the economic sphere we lay stress on the mixed commission which should give impetus to new possibilities of an agreement on Czechoslovak-Venezuelan cooperation.

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POLITICS CZECHOSLOVAKIA

BEJDA CALLS FOR 'NEW MODE OF THINKING'

AU171201 Prague TRIBUNA No 26 in Czech on 2 Jul 86 pp 1, 8, 9

[Article by Vasil Bejda, head of the CPCZ Central Committee Agitation and Propaganda Department: "The Line of Accelerating National Development and the Ideological Work of the Party;" passages between slantlines are published in boldface]

[Text] /Building on the 27th CPSU Congress, the 17th CPCZ Congress laid down important tasks of socioeconomic development. Both the preparations and the course of the two congresses had, and continue to have, a great ideological impact. What matters now is not to squander this ideological and political capital, to prevent its slow and gradual forfeiture. The congress ideas and approaches will have to be further developed and specified and, making use of specific ideological means, contribution will have to be made to the implementation of the congress line./

What is the main and crucial part of the congress documents and, hence, the main and crucial thing for the orientation of our ideological work? It is, above all, the /concept of accelerating socioeconomic development. I underline, not just economic development, but socioeconomic development./ It is very important to perceive these two aspects in dialectical unity and not to lose sight of the importance of the fusion between the economic and social development. It is not by chance that the documents of the 17th CPCZ Congress, as well as the documents of the 27th CPSU Congress, place such great emphasis on the issue of social development. /"We view as the main purpose of our endeavor the attainment of a further rise in the living standards of the people and the reinforcement of their social guarantees,"/ Comrade G. Husak stressed in the Political Report of the CPCZ Central Committee to the 17th CPCZ Congress. In the recent past and sometimes even at present, some economic managers and other senior officials harbor the erroneous notion that the development of production automatically improves the living and working conditions of the people or that social development is a secondary and marginal affair that can be dealt with only if "there are resources left for it." This mode of thinking accepts production for the sake of production and promotes and justifies, in fact, the continuing production for the shelves, the amassing of merchandise in which there is no interest, which no one wants to buy. /But out task is the exact opposite: to create

such working conditions, and also social, housing, and cultural conditions, as would stimulate people's activity./ To put it in ideological terms, we must not even for a moment disregard the tremendous role played by a strong social policy in activating the human factor.

Change of Thinking--A Fundamental Condition of Further Advancement

It is apparent from the congress materials that the party is shifting main attention from quantitative economic indictaors to quality and efficiency, from partial and local results to the final and national results, from the further expansion of fuel and raw material resources to their efficient utilization according to latest world standards, to the speedy reconstruction and modernization of capital assets instead of their further expansion, to accelerating the application of the results of scientific-technical progress in all spheres of the economy and social life.

It cannot be claimed that these tasks and this orientation are absolutely new. On the contrary, they used to be raised and discussed in the past as well, albeit not as emphatically and comprehensively as is the case now. However, they failed to reach with their full urgency the minds of senior officials and other working people. /The extensive approach to the development of the economy still persists/ (if it does not even deepen, which we must admit is the case at some places), /social wealth continues to be squandered./

The utilization of our raw material and energy resources, for example, is substantially less efficient than the world standard. We have been pointing this out for years but practice is rather slow in adjusting to the new requirements. To reword a saying, the dogs bark but the caravan continues to take its usual extensive path. /If we fail to turn the flood of words into practical deeds, we will not be able to further dynamize our society and to move forward to any significant degree./ I am sorry to say that the warning of the 27th CPSU Congress to the effect that many people seek development without being willing to change anything, that is, without forward movement, fully applies to us, too, to the Czechoslovak society. /To change this mode of thinking is our primary task and, at the same time, a fundamental condition of our further successful advancement./

We have found ourselves, perhaps quite logically, in a somewhat paradoxical situation. We profess allegiance to the Marxist-Leninist theory, the most revolutionary theory of all, but in practical life we rather frequently adhere to evolutionary methods of development, rely on automatic development, on the self-movement of the socialist society. We have grown all to accustomed to taking the well-trodden paths, to living in peace and carefree, in short, we have become rather indolent. The fact that internal and external conditions are growing worse does not mobilize us sufficiently. A great deal has been said and written about that. But all this has far from found the adequate response in practice.

The above remarks do not pursue selfish aims, they are not tantamount to search for a scapegoat, their aim is not to condemn the production sphere

and to glorify the superstructure. The ideological sector, too, bears its own, not inconsiderable, share of responsibility for the slowed down rate of society's development. Many facts could be cited to illustrate this. However, in our case a single example will suffice: The proposition about developed socialism and its construction came into being in our socialist country, and in other socialist countries as well, as a response to simplifying notions about the development of socialism, as a response to various illusions mistaking the wish for the reality, illusions that were a manifestation of ill-advised impatience and of subjectivism and voluntarism in politics.

To be sure, it is paradoxical that, in spite of its function, even the theory of developed socialism was used by some for diametrically opposite intentions and became an instrument of underrating the complicated and exacting nature of the struggle for a new society. Willy-nilly it thus objectively served to justify the tediously slow solution of rpie problems. Regrettably, in our country, too, we were coming in the recent past across an exaggerated overestimation of the positive results of socialist development. And in the meantime, to use the words of Comrade M. Gorbachev, "many relevant problems, connected with switching the economy onto the path of intensification, with labor productivity growth, with improving supplies to the population, and with overcoming negative phenomena, were being circumvented and were not given the attention they would have deserved."

The present period has quite logically given rise to many discussions, it has called forth keen interest in the theory and practice of building a socially just society. Discussions can sometimes be heard on the relationship between the general line of building a developed socialist society, conceived at the 14th and further developed at the 15th and 16th CPCZ Congresses, and the line of accelerating socioeconomic development formulated at the 17th CPCZ Congress.

Ever since its 14th congress, our party has been guided by the general line of building a developed socialist society. Does the concept of accelerating social development adopted by the 17th congress perhaps amount to a rejection and denial of this general line? The building of developed socialism has not yet been completed in Czechoslovakia and the general line set out at the 14th congress and further elaborated at the two subsequent party congresses is of long-term validity. /However, its contents or, in order words, the approach and the paths toward its implementation, require under present conditions a fundamental turnabout, a new attitude, and a new mode of thinking and decisionmaking./ As Comrade G. Husak stressed in his closing speech at the congress, this concept "determines the contents of the general line of the party for the coming period. It formulates new prospects for the further development of our society. It provides a powerful impetus for the activation of work in all sectors, for the energetic implementation of new approaches and methods."

Dialectical Unity of Economy, Politics, and Ideology

/In order to take a further step on the path toward building developed socialism, we must incisively come to terms with the quality and efficiency of work, especially managerial work, and fully activate the human factor, people's activity at work and as citizens./ Gaining a more profound understanding of the meaning and significance of the historic role of the line of acceleration represents both one of the fundamental tasks of ideological work and a point of departure and decisive prerequisite for its own further development.

/A characteristic feature of the line of accelerating socioeconomic development is the dialectical unity of economy, politics, and ideology./ It is therefore impossible to come to understand the tasks of individual spheres of the social and political system stemming from this line in isolation from the dialectics of politics, economy, and ideology. Only from the viewpoint of this dialectic is it possible to grasp and to explain that the line of acceleration is not at variance with the strategic concept of building a developed socialist society but that, quite the contrary, it represents a highly effective method of implementing the concept of building developed socialism. The line of acceleration constitutes some sort of a trajectory of the further and continuous perfection and development of society towards higher degress of maturity. /Although the line of acceleration will in the phase of its implementation represent a relatively new stage of social development, although it will require new appraoches and new methods of work, it is possible to speak of a continuity of the main political line of the new period, that is, the period after the 14th congress of our party./

The clarification of the meaning and the line of accelerating socioeconomic development, of various aspects and conditions of intensification, must therefore quite naturally become the content of ideological work. What matters is a clarification from the viewpoint of the dialectics of politics, economy, and ideology in order to answer the following questions: What is the connection and continuity [of the line of acceleration] with the tasks solved in the past; why does the line of acceleration appear only now; why have some problems of economic development become permanent and assumed almost a chronic nature? Naturally, we are not interested in a complete enumeration. We could continue listing such questions. Our aim is, above all, to warn and, in a certain sense, also to challenge the ideological front which, if it wants to be effective, must know the real state of affairs and of social awareness, must respond to it flexibly and in due course by providing well-informed and specific answers, and, thereby, must contribute to the mobilization of the human factor.

In this connection concerned voices can be heard asking whether we are not orienting ourselves too much toward the economy in our ideological work, propaganda, and agitation; whether we are not neglecting the other spheres of social life; whether the existing orientation is not assuming the form of underestimating ideological work. Is this concern justified?

It is generally known that ideological work does not have its own autonomous program, its own specific content of work. Its fundamental task is to use its potential to contribute as effectively as possible to the gradual fulfillment of the party's programmatic line. An orientation toward accelerating socioeconomic development is currently the main, the decisive prerequisite for the advance of society. Therefore /one of the foremost duties of ideological work is the duty to contribute its share to the dynamization of our social organism./ True, from the dialectics of policy, economic affairs and ideology in no case does it arise that one must or can perceive the adopted line of acceleration as the enhancement of mere "economism," as an orientation toward resolving purely economic tasks and underestimating other tasks, in our case ideological tasks. The so-called purely ideological issues, for example, weltanschauung education, upbringing in the spirit of proletarian internationalism and socialist patriotism, moral and esthetic upbringing, and so forth, must also remain in the forefront of our attention. And we could go on and on with this enumeration.

In no case can we afford to neglect these and other important directions of ideological activity. After all, it is no coincidence that we speak about the need for a comprehensive approach to ideological work. At the same time, as in any other stage it would be equally culpable to forget the things that are decisive, that are pivotal, that are the driving force of the times, and that move society forward. Here ideology cannot be absent. /Currently, the main and the pivotal thing is the line of acceleration of socioeconomic development. And that is and must be the main content of the party's ideological work./ True, to perceive the purpose of ideological work as being merely to clarify the problems of our society's economic development, as a narrowly perceived "iedological ensurance of the intensification of the national economy," would also be a serious shortcoming. /The purpose of ideological work must be to contribute effectively and to the maximum extent to the mobilization of all creative forces of society that are implementing the line of acceleration and to comprehensively enhancing the degree to which they are prepared for the solution of demanding tasks./

In this respect there exists a close continuity with ideological work in the past period prior to the orientation toward the change in people's thinking and psychology. It would be most harmful to see in the new only a green meadow, the so-called tabula rasa. However, we equally cannot interpret the existing continuity as a simple linkup with the past directions of ideological work, as a mechanical reproduction of past tasks, directions, structures, and methods.

One has to consider more deeply the question of where the novelty of the current task lies. The more so, since /the calls for the new threaten to grow into inflation. In the same way as calls for critical demandingness did in their time. The verbal inflation of th so much needed and highly topical call to enhance "critical demandingness," provided it was not followed by deeds, inevitably lost its effectiveness, it became an empty phrase. Let us, therefore, not permit new ideas, the struggle for a change in thinking and acting to remain only a wish./ Comrade M. Gorbachev draws attention to the need to differentiate between those who have sincerely embarked upon

the new way, although they may have made some mistakes, and those who have only adapted to the new winds while in practice they do things the old way.

In propaganda the call for the new way means, among other things, to fully overcome practice that is affected by two negative trends.

/a) The practice of utilitarianism, merely serving practice./ Ideology must not be a servant. And since we stay with this concept, it has to serve the main thing--the realization of our ultimate objective: The construction of a new, socially just society, and from this position, from this viewpoint to develop ideology, because as soon as it stands still, being only the defense of today, of the present, it logically loses its inherent function of being a revolutionary theory that reforms the world. The falsity of the existing orientation is all the more evident since not everything that exists in socialism is truly socialist, not everything arises from its essence. Many things that exist in socialism and are viable, that tenaciously survive, are alien to socialism, and therefore we must doggedly combat them.

And /b) the practice of the widespread [rozsireny] enlightenment, intellectual academicism, the self-serving proliferation of the findings of knowledge [vedomostni poznatky]./ We must never lose sight of the fundamental function, the fundamental purpose of ideological work. We are not, and we cannot be interested in educational standards alone. This is only the means, the instrument for achieving the main thing we are striving for, we are struggling for. We are interested in political awareness being the driving force, the motor mobilizing the working people to create activity in the interest of accelerating social development, in the interest of building a new, socially just society.

The Relationship Between Revolutionary Transformations and Reforms

The general finding that the creative development of the theory of socialism is becoming the prerequisite not only for determining the realistic objectives of practical revolutionary restructuring, resounds with new urgency. One of the many important questions which today is in the subconsciousness of not only theoreticians, but also the broad public, and which has to be clearly answered, is the question of the relationship between revolutionary transformations and reforms of the socialist society.

Many, having learned a bitter lesson from the period of crisis, react very sensitively to the term reform and do not like to hear it. /Marxists-Leninists quite logically regard revolutionary transformations as playing a decisive role./ Socialist transformations can really begin with a revolutionary reversal [zvrat] in the sphere of political state power, by the workers class taking over power. It is precisely here that we find the fundamental difference between the revolutionary theory of Marxism-Leninism and reformism, which opposes socialist revolution, rejects the need to destroy the bourgeois state, opposes the establishment of the dictatorship of proletariat. It recommends gradual, partial reforms within the framework of "socialism growing into capitalism."

/Prior to a socialist revolution, reforms are only a secondary, accompanying product of the class struggle. However, once the workers class has taken over power, after a socialist revolution, the role and the possibilities of social reform change fundamentally and must change./ As Lenin showed in the first years following October, economic as well as social reforms move socialist revolution deeper and further.

/The necessary thing, of course, is that in socialism reforms really move, accelerate, and deepen the course of revolutionary transformations, and not the other way around, that for one reason or another they slow down or even pursue the dismantling of revolutionary achievements, or strive for the restoration of capitalism,/ as, for example, was the case with Sik's proposed and abortive reforms in the 1968-69 period. What else but our scientific ideology, Marxist-Leninist theory, should analyze and clarify these issues that are so important precisely in the present day revolutionary period.

The 17th CPCZ Congress has confronted both our economic and other social sciences with the exceptionally difficult task of contributing to the evaluation and further perfection of the new system of organizing and managing the Czechoslovak economy. It is already a few years since it was introduced, since something was asserted, but the metchanism that is being created, its various instruments, have not proven themselves everywhere. What is important, therefore, is to generalize good experience. We must proceed in this from the analyses of the laws governing the socialist economy and its qualitative difference from the capitalist economic conditions and not let ourselves be driven onto paths leading to private entrepreneurship [soukromovlastnicke hospodareni]. We must strive to develop and fulfill the advantages of the planned socialist economy in today's new realities. These are the approaches to one of the many topical problems in the solution of which both economic theory and practice are to participate jointly.

From all this the question of why it is important to being transforming the thinking and psychology of man and the organization and the style and methods of work unequivocally arises. To put it simply, /so long as we ourselves won't change, we will not be able to successfully carry out the demanding congress program./

Making Better Use of the Advantages of Socialism

The fulfillment of the line of acceleration will certainly involve implementing and emphasizing the advantages of socialism, enhancing its strength, authority, and attractiveness. It would, perhaps, be useful in this connection to return to the well-known theory of the 1960's, epitomized in the slogan "Catching up and overtaking." To return not so much in order to pay tribute to mere criticism, but rather in order to show its woeful political consequences, ideological harmfulness, and the negative influence it had on thinking and behavior.

The main flaw of the orientation expressed in terms of "catching up with and overtaking capitalism" in the production of some kind of product lay not so

much in the unrealistic deadlines, as, above all, in the orientation toward models, criteria, approaches, ideals, and values alien to socialism. Although the tasks within the framework of this orientation were, as a rule formulated in quantitative terms (deadlines, years, quantities), these were implicitly qualities that are in fact incompatible with specific values and with the objective logic of the socialist social system.

The countries of developed capitalism were taken as an example for us to try to emulate. This made the philosophy of "catching up with and overtaking" false to its very core (as it necessarily had to be). This philosophy hampered--and where it still occurs is hampering even today--the forces welling up from the new socioeconomic relations. It prevented the merits of socialism from being fully apparent.

/We cannot speak of the merits of socialism so long as the situation and standards of living in the developed capitalist countries are, or are supposed to be, an example for us. It is no coincidence that in his speech in Togliatti Comrade M. Gorbachev emphatically pointed out the need to get rid of once and for all the distruptive philosophy of emulation and permanent copying. He called one to take one's own road./ Although he was addressing the staff of the Volga automobile plant, his words have a more general application. /The philosophy of "catching up with" logically leads to backwardness, because essentially it does not orient people toward anything else.

/The socialist countries should not copy or imitate the countries of developed capitalism; they should search for their own roads, which follow from the qualitatively different nature of the socialist system, from the working man's needs and his harmonious development./

Such an approach is of an immense significance for ideological-education, for informational and mass political work. This is particularly true in the education of young people: Here, the emulation of examples that are alien to socialism and the introduction of an uncritical admiration of everything that comes from the West are literally programmed in the sophisticated impact of the propaganda about the "Western sytle of life."

That is why it is so important to completely dispose of everything that stands in the way of the acceleration of social development. /The decisive role here is played by criticism and self-criticism./ In this connection we can notice a certain lack of understanding; we can hear voices of concern that we exaggerate the criticism. It is said that criticism is a necessary and motive force, but that in the communications media it overshadows the positive achievements of socialism has made in its historically brief existence thus ceasing to be a motive force and becoming a destructive one.

Both in the past and today, we have been justified in frequently recalling Lenin's thought that /creative energy and the conscious activity of the masses are the greatest capital of socialism./ This is a basic and enduring truth which we must constantly take into account. As M. Gorbachev stressed at the Csepel rally of Soviet-Hungarian friendship: "We see the key to

success in the active creative activity of the masses, in the broadest possible development of their independence. But we will not achieve this if we do not further improve socialist democracy, which will grant the working people a truly leading role, the role of true masters in production, in society, in the state. We proceed from the need for further dynamism, for more social justice and more democracy--in brief, for more socialism." If the merits of socialism are to be fully demonstrated in practice, its most precious capital must not remain so-to-speak locked up in bank safes, "unusued" or wasted. /In order that the working people's creative energy may fully develop, we must create living and working conditions in which the working people feel well and have a clear understanding of their place, their opportunities, and their duties in the effort of society as a whole, in the fight for a just arrangement of things. We must constantly show them not only by words, but by deeds that we are counting on them, that we care about their views and sentiments. We must see to it that none of their intentions which are beneficial to society are frustrated./

It is the essential mission of mass and personal propaganda and agitation to know how to attract a person to become interested in the a-fairs of society as a whole and how to make him feel that a lot depends on him, that by participating in the social effort he will find an opportunity for self-realization. It is no coincidence that the latest CPSU Central Committee session (see RUDE PRAVO on 17 June 1986) stressed the need for criticism "which maintains the feeling of unrest and of a healthy dissatisfaction with what we have achieved."

This is all the more important, since this very day we come across people adopting a formal approach if they are to become, so-to-speak socially involved. Sometimes they regard this as a necessary levy and duty of a citizen of a socialist state. But they are merely simulating genuine participation in social development, creation, and realization of policy; by raising their hands when it is time to vote or by their formal applause they pay their dues to "involvement." The causes of such unfavorable phenomena frequently lie in the fact that people often see or hear the opposite of what they actually encounter in real life. That is why it is so important /to see it always and everywhere that words do not contradict deeds./

Public information and discussion of the affairs of society is the main instrument for checking the unity of words and deeds. However, the principle of "openness," which is currently being so vigorously applied in the Soviet Union, means that important decisions are not prepared, discussed, and decided behind closed doors and in private studies, but that all this is done together with the people, with their participation and under their control.

/This principle requires all political, economic, and social agencies and organizations to play an open game, always to be in the public eye, to take public opinion into account, and take the people's needs and possibilities and the interests of the entire society into consideration./

Recently, we could hear various concerned voices expressing the fear that such a course could lead to the destruction of the values of socialism and asking whether it would not provide opportunities for hostile operations, or even play into the hands of hostile operations, by "making matters public." For reasons of caution it was said that criticism should, as it were, be "portioned out." All these views are understandable, particularly if they stem from fears for the fate of socialism. However, it is also necessary to see that they are still under the influence of old practices, when criticism and self-criticism were frequently the proclaimed norm, but never actually became the norm of real life. In practice criticism was regarded as something undesirable and isolated--all the more so, since in the past it even used to lead to unjustified personal reprisals or was directed against the socialist social system itself.

The less authoritative [kompetentni] this criticism was, the more harmfully it affected our social organism. We can still vividly recall how justified criticism was abused against the entire socialist system after the 20th CPSU Congress; and particularly how it became a destructive force leading to counterrevolutionary intentions and attempts toward the end of the sixties in Czechoslovakia, under the conditions of a crisis in the party and society.

However, despite all these reservations, and the understanding of why they were well-founded, under the present conditions we cannot restrict or neglect public information or public discussion. /If we want society to develop in a healthy way, we must call things by their proper name. We must analyze our situation, our needs, and our possibilities responsibly, but critically, and formulate realistic goals on this basis./

The evaluation of results, the assessment of their impact, and so forth must also be a public matter. In the present stage of its development, no only can socialism "afford" this--without such frankness it cannot even achieve lasting success. /Matter-of-fact and specific criticism is a positive force in development and a means of resolving conflicts as long as we voice it from the positions of our revolutionary goals, as long as it serves the acceleration of social progress, and so long as it does not become a tool of demagogy or of settling private accounts./

Without criticism even a progressive revolutionary party succumbs to indolence and self-satisfaction; "progress slows down, and the successes are nil, or only negligable."

In voicing these remarks we are fully aware of the tense international situation. Together with the escalating attempts of the military-industrial complex to assert its course of confrontation and its neoglobalist imperialist plans, the ideological struggle has intensified; the sharp psychowar, which is not concerned with an honest fight, but with promoting subversion, slander, and misinformation continues. It is constantly undertaking all kinds of attempts and sophisticated actions to introduce conflict among the socialist countries and progressive forces in the world, to weaken their international unity, and separate them from the Soviet Union.

We view the current developments in the world and their prospects in all their complexity and intricacy. We understand that our adversary will continue to maek use of every opportunity to push through his goals. The struggle to normalize international relations, against the danger of a nuclear catastrophe, and to achieve the transition to peaceful coexistence--this process, this struggle will be most complicated and difficult. However, it must not prevent us from openly and promptly resolving, in the people's interests and in unity with the people, all the problems connected with the progressive development of our socialist society.

/6662
CSO: 2400/350

POLITICS CZECHOSLOVAKIA

CRITICAL ATTITUDE URGED IN REGARD TO CALLS FOR REFORM

Prague TRIBUNA in Czech 11 Jun 86 pp 8-9

[Article by Robert Dengler: "An Open Letter to a Reader"]

[Text] I put paper in the typewriter. In the next few moments, a letter should be coming out from the editors addressed to Novy Jicin, from where we received the following correspondence: "I am taking the liberty of turning to you with a question which will certainly interest many other readers as well, so it will probably be a good idea to print the explanation in the TRIBUNA. In issue No 16 of 1986, I read the article 'Not a Revolution of Words, but Solely of Actions' by L. Kriz, picked up from the Slovak PRAVDA. I was interested in the part where the author mentions the discussion speech of M. Valek at the 16th CPCZ Congress. L. Kriz here considered it necessary to explain the sense of the formulation of the speech in order to show that it is progressive thinking. I have the feeling that he was not successful even though he went on about 'political adventurers and truly alarming reformers.' Who will determine if this or that citizen or comrade who supports modernization of economic or political life by words or deeds is an adventurer or, in some cases, a truly alarming reformer, or is he 'correct and loyal to the cause'? I think that all who want to take part in such classifications, instead of thinking over carefully what they themselves would do to make things better here, have that 'headcold' about which R. Rozhdyestvenskiy spoke and should be cured.... The prescription for them would be to read through the article 'Lenin the Man' every morning.... I trust that I can expect a reaction to my inquiry."

But it occurred to me, why not speak publicly?

Dear Reader,

I agree with you that the article "Lenin the Man" [likewise from issue No 16] is excellent and I also think that it would not escape attention. This is because the features of Lenin's personality and work included commitment, a broad perspective, and implacability toward adventurists and reformers who hurry in with formulas whenever they feel that the society is in motion and they expect it to make, one could say, leaps in development.

I am convinced that just such a complex period is before us. At the same time, I do not have to consider Comrade Valek's words as those of an interpreter. I do think, however, that he is right to draw attention to adventurists and reformers (you forgot to write that the author of the discussion speech by this meant the failed efforts of 1968; see RUDE PRAVO of 29 March 1986) if, for example, they understand the needs of our economy like they were understood some 20 years ago, that is, to connect verbal support of the future of socialism with capitalization of the economy and a disruption of the relationships between people. By this I do not mean any of the various economic indicators, such as the role of profit, but rather the basic steps to expand private enterprise and the growth in its influence, along with the crushing of socialist ownership, and also the abuse of socialist democracy to unleash anarchy or the demands of "pluralism" in an attempt to gain a legal chance to "erode" the socialist society.

This is the way that I understand it. We can indeed argue about it, but the substance is a single point; by socialism, I do not understand anything that does harm to the collective interests of society, which should take care of the overall development of the social and personal lives of all its members.

Various "reforms" are possible and even necessary, but never at the expense of the citizens' standard of living, social security, and the basic principles of socialism with the goal of "pushing aside" the Communist Party into the role of some kind of advisor.

And one more thing: socialism has one "strategic disadvantage," if I can call it that. It promises no one an immediate paradise on earth as do some demogogues in the West, where words are after all far from deeds. We must necessarily reckon with the fact that our society cannot say "after us, the deluge" but on the contrary must very rationally consider what it will leave to the next generation and in what condition. This is to say nothing about the fact that it cannot push its ideas without regard on all groups of the population and that in its considerations about the future it cannot leave out a single one of its members. And finally it must give every worker the opportunity to contribute to the realizations of these goals!! It is like in a family. Perhaps you have children....

And who will judge this decision which greatly influences our current and subsequent life? Generally stated, practice itself. Is that too general? Then more specifically. Does, for example, a person belong to today's progressive forces when he considers how to squeeze more resources out of the socialist state while he produces the same (or even less)? A person drowns himself (or more often someone else) in bureaucratic red tape and is afraid of responsibility?

You can object that there is not a good climate everywhere to stamp out these abuses. I agree. But does not this climate itself come from somewhere?

Why, for example, do some people have plenty to say in private about science and technology, development, and various solutions when they keep quiet at meetings and lag behind in practice. The climate is not right? Or is courage lacking? Or as a result of being comfortable they do not even want to change anything, but would just like to show that it does not disturb someone like them.... In other words, bourgeois.

The logic of development itself works against people who discuss how they would improve the situation, but at the same time do not change anything.

Communists must get used to sharp discussion if they want to find a solution of whose importance they are convinced. But imagine obstacles, for example, "office politics" in the factories. Is this possible? It is The management "can" affect results by means of bonuses and someone from the trade unions "justifies" the distribution of the awards according to God knows what subjective desires and similar actions. The result? Apathy of the people and running the enterprise from 10 to 5. What are these people capable of if their behavior, which impoverishes and weakens our society, becomes a public or political affairs? Is not the mess also the fault of those who keep quiet, even of those who are "correct and loyal to the cause?" "Classification," as you say, must in the final analysis take place in every work collective!

It is possible that you will object and ask what is the editor writing to me? Indeed, you can find someone everywhere who can adapt to anything and bamboozle his coworkers and subordinates!

Yes, this is possible. But if you have a tip on anyone who today wants publicly to defend justifiably criticized behavior, then write to us! We would like to take part in such a discussion with our press tape recorder.

I do not know if we have explained everything. Perhaps not. But I think that we have showed the difference in the approaches.

Comradely greetings.

6285/6662
CSO: 2400/306

AUSTRIAN CHANCELLOR PRAISES CLOSE RELATIONS

Budapest NEPSZABADSAG in Hungarian 10 Jul 86 p 1

["Telephone" report by correspondent Andras Kanyo: "Franz Vranitzky: We Are Expanding Our Cooperation--The Austrian Chancellor's Answers to the Hungarian Press"--first paragraph published in boldface]

[Text] The Austrian Federal Chancellor received staff members from NEPSZABADSAG, MTI, NEPSZAVA, MAGYAR HIRLAP, and Hungarian Radio in his office on Wednesday [9 July] and answered their questions. The journalists are in Vienna at the invitation of the Austrian Government.

Referring to Hungarian-Austrian relations, the chancellor stressed that these relations are in a very advanced stage and answered their questions of the Austrian Government.

Referring to Hungarian-Austrian relations, the chancellor stressed that these relations are in a very advanced stage and have reached a rather high level, both in a political and an economic respect. The soon expected visit of Gyorgy Lazar is one of the expressions of this. This meeting will be the chancellor's second with a head of a neighbouring country after assuming office (as is well known, his first meeting was with Italina Prime Minister Craxi).

As regards the approaching meeting with the Hungarian prime minister, agreements were reached about it with the previous chancellor, Sinowatz. The fact that he, Franz Vranitzky, will represent the Austrian side, could be regarded a mere chance, but he is pleased about such a chance.

To the question whether he intended to introduce new aspects to the relations, he said: "You are asking too much from me, since we have already won the gold medal for building relations. But if you think we can win another one, let's try it." He said that they will be discussing both economic and international questions at the meeting. "I will inform Mr Lazar about the state of the Austrian economy, and will ask him to do the same about the Hungarian economy. At the same time, we will try to make use of the opportunity to discuss issues of mutual interest"--emphasized the chancellor.

As regards economic cooperation, he recalled that Austrian firms are taking part in the construction of the Bos-Nagymaros hydropower station. He personally thinks that this cooperation is a new form of progress and at the same time indicates possibilities for expanding relations in the future.

Further, he mentioned the issue of Austrian-Hungarian cooperation on third markets. He said that this was an important issue and had been discussed several times, but very little had been done to actually work out plans. He thinks however, that it is necessary to take a closer look at certain details of this cooperation, especially the issue of financing.

The chancellor said that there are, however, other matters, and the solving of them involved not just Hungary and Austria. These are the development of tourism or other problems that require wider international cooperation.

Answering a question of NEPSZABADSAG, he said: "We have never paid attention to signals from other parts of the world that it is necessary to cut back cooperation with socialist countries. We have also disregarded the signals that indicated that it is perhaps no good using certain forms of financing in relations with our partners. We have developed our cooperation during the past and we will do so in the future too."

Referring to East-West relations he underscored that in itself, last year's Soviet-American summit had a positive impact on the international situation. He added that one can notice some favorable developments and indications, but it is necessary, he thinks, to consider the primary elections in the things as a whole, the balance is positive. Therefore, he thinks that a new Gorbachev-Reagan meeting would be useful and necessary.

In concluding his answers, he stressed that Hungary's being a Warsaw Pact member and Austria's neutrality are a reality that cannot be disregarded and neither can this fact be an obstacle to further developing good-neighborly relations.

/9716
CSO: 2500/382

BRIEFS

OVARI MEETS AFGHAN DELEGATION--Budapest, July 4 (MTI)--Miklos Ovari, member of the Political Committee of the Hungarian Socialist Workers' Party and secretary of the Central Committee, met an Afghan party delegation, headed by 'Abdorrashid Arian, chairman of the Central Control Committee of the People's Democratic Party of Afghanistan, member of the Central Committee and deputy chairman of the Revolutionary Council, in Budapest on Friday. The politicians informed one another on the work of the two parties, and exchanged views on topical international issues, with special regard to the situation around Afghanistan. The talks were attended by Jozef Gyorke, deputy head of the Foreign Affairs Department at the HSWP CC. [Text] [Budapest MTI in English 1502 GMT 4 Jul 86 LD]

KADAR MEETS CP HEAD--Budapest, July 3 (MTI)--In Budapest Thursday at Central Committee headquarters, Janos Kadar, general secretary of the Hungarian Socialist Workers' Party met with Jorgen Jensen, president of the Communist Party of Denmark, who is on holiday in Hungary. Jorgen Jensen also held talks with Miklos Ovari, member of the Political Committee and secretary of the Central Committee of the HSWP. At the meeting, held in a friendly and comradely atmosphere, they examined relations between the two parties, and certain topical issues of international life, and the communist and workers' movement. [Text] [Budapest MTI in English 1625 GMT 3 Jul 86 LD]

OVARI MEETS MOROCCAN LEADER--Budapest, July 1 (MTI)--The delegation of the Moroccan Party of Progress and Socialism, headed by 'Abdallah Layash member of the Political Committee, which had visited Hungary from June 25th to July 1st, left Budapest Tuesday. The delegation was received by Miklos Ovari member of the Political Committee of the Hungarian Socialists Workers' Party, secretary of the Central Committee. The guests held talks with Jozsef Gyorke, deputy chief of the Foreign Relations Department of the Central Committee on topical international issues, the domestic situations of the two countries and relations between the two parties. They agreed that insurance of the right of self determination of the Palestinian Arab people including the right to found a state of their own, was an essential prerequisite for the creation of a just and lasting peace in the Middle East. They insured [as received] the struggle being waged under the leadership of the sole lawful representative of the Palestinian people, the Palestinian Liberation Organization for the restoration of these rights of their support. They condemned the armed aggression against certain countries of the Mediterranean Sea zone, and took a position for an urgent end to foreign intervention. They resolved to advance relations between their parties. [Text] [Budapest MTI in English 2053 GMT 1 Jul 86 LD]

/9716
CSO: 2020

POLITICS POLAND

JARUZELSKI RECEIVES FRENCH SENATE GROUP

LD151809 Warsaw PAP in English 1728 GMT 15 Jul 86

[Text] Warsaw, 15 July--The president of the Council of State Wojciech Jaruzelski received a delegation of the French-Polish friendship group in the French Senate, now on a visit to Poland, headed by Senator Maurice Schumann.

Wojciech Jaruzelski expressed satisfaction at the visit of the French senators which constitutes an important element in the process of reviving dialogue between Poland and France. The prospects for developing mutual relations were discussed during the talks. The upcoming 200th anniversaries of the great French Revolution and the Polish Constitution of 3 May were also referred to.

Sejm (Polish Parliament) Speaker Roman Malinowski and chairman of the Polish-French group in the Sejm, Deputy Ryszard Wojna, attended the meeting. The French ambassador to Poland, Jean-Francois Noiville, was also present.

"General Wojciech Jaruzelski was talking to us for nearly 2 hours today," Senator Maurice Schumann told PAP upon the French delegation's departure.

"I think that this gesture, for which I am deeply grateful, is an excellent harbinger for French-Polish relations in the near future. Obviously enough, improvement in this field is determined by certain conditions which should be fulfilled by both sides. I am optimistic and I hope they will be fulfilled," he said.

/9604
CSO: 2020/171

POLITICS POLAND

JARUZELSKI, MESSNER ATTEND AWARDS CEREMONY

LD151247 Warsaw PAP in English 2018 GMT 14 Jul 86

[Text] Warsaw, 14 July--In connection with Poland's national day, state awards have been handed out at a ceremony here today in the field of science, technology, literature and art. The Committee of State Awards reviewed 84 motions and has finally bestowed 27 individual and team awards to honor an overall number of 126 people.

There are 12 awards of the first and 15 of the second class, 15 individual and 12 team awards, 9 awards in the field of science, 11 in the field of technology and 7 awards in the field of literature and art.

The award winners met at the Palace of the Council of Ministers here at a decoration ceremony where they received distinctions and diplomas. Present were representatives of supreme authorities with Wojciech Jaruzelski, Roman Malinowski and Zbigniew Messner.

The chairman of the Committee for State Awards, Prof Leonard Sosnowski, underlined that Polish authorities attached especially high rank to the state awards, thus honoring the toil of scientists, technicians and men of culture. He also pointed out that many awards were bestowed this time for an entirety of achievements. Those awarded are generally recognized, their names have already become symbols in fields of science and culture.

Premier Zbigniew Messner congratulated the award winners and pointed out that, as history teaches us, the most outstanding works and values were created in conditions of combining sound, creative effort with a sense of civic duty.

Two years ago at a similar ceremony First Secretary of the PUWP CC Wojciech Jaruzelski stated: "The country needs every open mind, every talent, every creative thought." There is no need to justify the profound substance of this quotation. Only through the use of modern knowledge and displaying a will to act rationally we can place on a civilizational map in a way corresponding to our capabilities and aspirations.

The party and government will do everything to create positive conditions for development in science and culture. With each year the expectations

and requirements of creative milieus are becoming greater. This is an objective necessity. We face a tremendous task of restructuring the economy, of modernizing production potential and shaping our production and export specializations, continued the premier.

The 10th PUWP Congress formulated the directions of development and methods of implementing charted targets. In the course of its debates the congress pointed to the acceleration of scientific-technological progress, to the application of innovation, to creating conditions for initiative and enterprise, to shaping creative approaches. Here is our immense reserve and our greatest chance, Messner said.

The awards conferred on you are proof of appreciation for everybody's talent, work and perseverance, but they also make a symbolic expression of the importance attached by Poland to comprehensive use of the vast potential of the Polish science and culture and full realization of the development possibilities, the prime minister said.

Speaking for the laureates, Professor Piotr Zaremba said the awards would not mark an end to their work and creation, but encourage further effort and reassure them they have made a correct choice.

It is our duty to put forth a creative and at the same time feasible vision of a Poland of the 21st century. Only in that we can help our successors, the professor said.

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CSO: 2020/171

POLITICS POLAND

UN ENVOY ADDRESSES CONFERENCE ON NAMIBIA

LD101351 Warsaw PAP in English 2000 GMT 9 Jul 86

[Report by PAP Correspondent Franciszek Malinowski]

[Text] Vienna, 9 Jul--Today, on the third day of the international conference on granting independence to Namibia held in Vienna, the head of the Polish delegation, permanent representative of Poland to the UN office in Vienna, Ambassador Stanislaw Przygodzki took the floor.

The Republic of South Africa, he stated, relying on the advantages stemming from cooperation with its Western allies, is holding the Namibian nation in colonial slavery. Some Western states collaborating with South Africa pride themselves on their respect for the law and for 20 years accept this state of affairs in silence. They cooperate with South Africa strengthening its economic and military potential. Even the ban on weapon and crude oil supplies is being broken, said the head of the Polish delegation.

In recent years, and especially in recent months, the situation in Namibia and around it has undergone dramatic change. The racist regime in South Africa, certain of its impunity, is pursuing a policy of accomplished facts which aims at strengthening its presence in Namibia. Repressions, terror, arrests and murdering SWAPO [South-West African People's Organization] fighters serve this end.

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CSO: 2020/171

AUSTRALIAN PARLIAMENT GROUP HOLDS TALKS AT SEJM

LD112127 Warsaw PAP in English 1945 GMT 11 Jul 86

[Text] Warsaw, 11 Jul--The delegation of the Australian Parliament currently on a visit to Poland participated today in Polish-Australian plenary talks held at the Sejm (parliament) and chaired by Sejm Speaker Roman Malinowski and chairperson of committees at the House of Representatives Joan Child.

The talks were attended by Deputy Sejm Speakers Janina Biedrzycka and Marek Wieczorek, Deputies Kazimierz Morawski, Kazimierz Olesiak, Marek Kabat and Zbigniew Zielinski and the Australian parliamentarians.

Roman Malinowski underscored the significance which the Sejm attached to inter-parliamentary contacts contributing to the process of agreement, dialogue and cooperation in solving global issues.

Joan Child stated that the contacts between the parliaments of Australia and Poland were a significant contribution to the strengthening of cooperation between both countries. She stressed Poland's role in international relations and stated that Poland's efforts to achieve national agreement would undoubtedly be a point of interest for Australia's Polish community. She also underscored the importance she attached to the issue of human rights.

With regard to economic relations Joan Child stated she was aware of the hidden possibilities for increasing Australian imports from Poland and pointed out that there were no barriers to expanding trade between the two countries, except for the distance between Poland and Australia.

Child promised support for the Polish side's efforts in this direction. She also pointed to the possibility of supplying Poland with modern Australian agri-food technologies.

During today's talks at the Sejm the Australian parliamentarians underlined that different political systems should not be an obstacle to the development of cooperation and friendship. Although their country is a member of the ANZUS Treaty and as such is tied with the United States, Australia represents an independent point of view on international affairs, expressing, for instance, protest against "Star Wars."

In this context the Australian parliamentarians inquired about Poland's intentions and initiatives aimed at strengthening peace and disarmament. They also asked about Poland's stance towards the issue of the country's foreign debt, about humanitarian issues and Poland's participation in Expo-86 to be held in Australia.

The chairman of the Democratic Party CC, vice president of the Council of State Tadeusz Mlynczak received Senator Norm K. Sanders, a member of the leadership of the Australian Democrats Party.

The talk focused on issues tied with the development of bilateral relations between Poland and Australia and pointed to further opportunities in this field. It also touched on the ways of starting contacts between small- and medium-sized enterprises in both countries.

The sides discussed contacts between the DemocraticParty and the Australian Democrats Party and pointed to ecological issues which rank high in the programmes of both parties.

/9604
CSO: 2020/171

JPRS-EER-86-118
5 August 1986

CZYREK MEETS WITH 'CONSENSUS' DIALOGUE GROUP

LD121840 Warsaw PAP in English 1741 GMT 12 Jul 86

[Text] Warsaw, 12 July--Deputy Chairman of the Patriotic Movement for National Rebirth (PRON) National Council Jozef Czyrek met here today with members and followers of the "consensus" dialogue group which brings together people of different world outlooks. Present was PRON General Secretary Jerzy Jaskiernia.

The "Consensus" representatives briefed PRON officials on the hitherto activity of their group which operates as an organizer of dialogue between social and political forces within PRON on the one hand and individuals and forces acting outside PRON but respecting constitutional principles of Poland's political system.

The "Consensus" activities involve intellectuals representing different world outlooks which are characteristic for Polish society, that is Marxists, Catholics and supporters of other outlooks. The group's hitherto activity shows that with big differentiation of views, it is still possible to achieve consensus on the issues of the utmost importance for the state and nation, which speaks for the purposefulness of continuing this social experiment.

The "Consensus" regularly provides the PRON National Council and the Secretariat of Poland's primate with information about its activities.

Jozef Czyrek pointed to PRON's support for the group's activity and voiced a conviction that it is conducive to the broadening of the platform of national agreement. He also assured the "Consensus" representatives about PRON's positive attitude towards the group's proposal to set up a publishing house serving popularization of the idea of organic work.

The meeting also discussed further possible activities for achieving national agreement.

Jozef Czyrek spoke about PRON's initiative to commute repressive measures towards those who committed some crimes. The participants in the meeting also discussed a concept to create a social Consultative Council at the Council of State, civil conventions at voivodship people's councils and the institution of a spokesman for civil rights.

The "Consensus" activists voiced their support for those initiatives which, in their opinion, would make it possible for people who restrained from participating in the hitherto structures for various reasons, to more broadly join the public life.

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CSO: 2020/171

BARCIKOWSKI CHAIRS GRUNWALD SOCIETY MEETING

LD152036 Warsaw PAP in English 1705 GMT 15 Jul 86

[Text] Warsaw, 15 July--On the 576th anniversary of the battle at Grunwald, chairmen of People's Councils, territorial self-governments and social organizations decorated with the Grunwald Cross Order, met today in Olsztyn, north-eastern Poland, to found the Society of Grunwald Communities. The meeting was attended by members of the National Presidium of the Grunwald Committee.

The newly-established society will contribute to the cultivation of remembrance of the struggle for independence, integrity, the strength and development of the motherland and her due position among other states and nations. The meeting was chaired by Chairman of the National Grunwald Committee, Kazimierz Barcikowski.

The founding act was signed by 174 representatives of "Grunwald" villages, cities and organizations. Referring to the centuries-long traditions for which Grunwald was a symbol the societies represented by us have in recent history made a special contribution to the cause of winning freedom from Nazi slavery and to the birth of People's Poland. The Grunwald Cross Orders bestowed upon them are an expression of this, reads the act.

The Grunwald Cross on the banners of our communities is not only a symbol of glory but also an obligation to actively participate in popularizing the Grunwald idea, upbringing youth in respect for the experiences of the motherland and the cause of ancestors, consolidating in the memory and culture of our nation the contribution of our communities to the history of Poland, multiplying the strength of the state and material goods in correspondence to the glorious tradition of struggle for freedom, democracy and socialism, states the founding act.

It was decided that as a tribute for the role of Poland's capital in national-liberation struggle, the chairman of the Warsaw People's Council would hold the permanent post of chairman of the Society's Council.

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BRIEFS

KUCZA MEETS MEMBER OF ISRAELI CP--Warsaw, 9 July--Head of the PZPR CC Foreign Affairs Department Ernest Kucza met here today with member of the Central Committee of the New Communist Party of Israel Routh Lubich, who participated in the 10th PUWP Congress and is now on a working visit to Poland. The sides discussed selected problems tied with further cooperation of the PUWP and CPI. [Text] [Warsaw PAP in English 1745 GMT 9 Jul 86] /9604

POLISH-PRC TALKS--Warsaw, 11 July--Heads of departments of international organizations in Poland's and China's Foreign Ministries Piotr Freyberg and Li Daoyu held consultations here on 10-11 July. The delegation of the Chinese Foreign Ministry was received by Poland's Foreign Vice-Minister Henryk Jaroszek. [Text] [Warsaw PAP in English 1843 GMT 11 Jul 86] /9604

CUBAN TECHNICAL COOPERATION--Warsaw, 11 July--Poland's vice-premier, chairman of the Polish-Cuban Joint Committee for Cooperation in Economy, Science and Technology, Zbigniew Gertych, met here today with vice-chairman of Cuba's Academy of Sciences, chairman of the Cuban part of the Polish-Cuban subcommittee for Cooperation in Science and Technology, Ramon Pomes. The sides discussed the state of realization of cooperation and the plans for its development until the year 2000. Also present at the talks was the Cuban ambassador to Poland, Martin Mora Diaz. [Text] [Warsaw PAP in English 1842 GMT 11 Jul 86] /9604

JARUZELSKI RECEIVES UN OFFICIAL--Warsaw, 11 July--First secretary of the PZPR CC, President of the Council of State Wojciech Jaruzelski received here today UN Under-secretary-General Ambassador Eugeniusz Wyzner. [Text] [Warsaw PAP in English 1306 GMT 11 Jul 86] /9604

CABLE TO MITTERRAND--Warsaw, 13 July--Poland's President of the Council of State Wojciech Jaruzelski has sent a congratulatory message to President of the French Republic Francois Mitterrand on the 14 July French national holiday. [Text] [Warsaw PAP in English 1705 GMT 13 Jul 86] /9604

CUBAN YOUTH BRIGADE LEADERSHIP--Warsaw, 13 July--The 3rd Carlos Roloff-Mialowski Cuban Youth Brigade is about to conclude its visit to Poland where the young Cuban guests have visited 11 voivodships in more than 3 weeks. The leadership of the brigade called on PZPR CC Political Bureau member and CC Secretary Tadeusz Porebski here yesterday. The 3rd

brigade commandant Helda Garcia, an alternate member of the Communist Party of Cuba, referred to the hospitality the young Cubans were shown in Poland as to an expression and reaffirmation of the ties of friendship between the two nations. At the meeting, the young Cuban guests conveyed their warm greetings to Wojciech Jaruzelski. Also yesterday, the members of the 3rd brigade visited the child's health care center, and met with representatives of political and municipal authorities of Warsaw. [Text] [Warsaw PAP in English 1649 GMT 13 Jul 86] /9604

INDIAN GROUP VISITS--Warsaw, 13 July--A delegation of the Republic of India, led by Minister of State for Science and Technology Shrivay V. Patil, visited Poland this 9-13 July at an invitation of minister-head of the office for scientific-technological progress and implementations Konrad Tott. The Indian minister was received by Vice-Premier Wladyslaw Gwiazda, chairman of the Polish Academy of Sciences Jan Kostrzewki, ministers of science and higher education, chemical and light industry, and met with vice-ministers of foreign affairs and mining and power industry. The sides summed up the state of the hitherto scientific-technological cooperation between India and Poland and discussed opportunities for its further broadening especially in such areas as mining, power and engineering industries, electronics, chemistry, and biotechnology. [Text] [Warsaw PAP in English 1804 GMT 13 Jul 86] /9604

TALKS WITH SPANISH FOREIGN MINISTRY--Madrid, 17 July--Political consultations between Foreign Ministries of Poland and Spain were held here today. The Polish side was represented by Vice-Minister Tadeusz Olechowski, and the Spanish--by Director-General for Europe J. Ezquerra. Vice-Minister Olechowski was also received by Spanish Foreign Minister Francisco Fernandez Ordonez. During the talks and consultations the sides reviewed the current state of bilateral relations, favourably assessed the hitherto development of the Polish-Spanish cooperation, and voiced the will of its further tightening. The sides also exchanged views on essential issues of international situation, especially in Europe, pointing to the necessity to undertake vigorous activities for reanimating the policy of detente in the East-West relations. In this context, the sides also discussed prospects and preparations for a meeting of representatives of the CSCE signatories to be held in Vienna this autumn. [Text] [Warsaw PAP in English 1607 GMT 17 Jul 86] /9604

PROFESSOR HONORED--Warsaw, 19 July--Wojciech Jaruzelski has sent a congratulatory letter to Professor Witold Nowacki, Poland's most outstanding specialist in theoretical and applied mechanics, to mark the latter's 75th birthday due tomorrow. Full member of the Polish Academy of Science (PAN) for 30 years, and the academy's president between 1978 and 1980, Professor Nowacki is also a foreign member of many academies and holds honorary doctorates of numerous Polish and foreign higher schools. Professor Nowacki was granted, among other distinctions, the Order of the Builders of People's Poland. He has been a PZPR member since 1984. [Text] [Warsaw PAP in English 1805 GMT 19 Jul 86] /9604

SYRIAN DELEGATION VISITS--Warsaw, 19 July--A delegation of the Syrian Ministry of Higher Education, headed by Minister Kamal Sharaf, has been visiting Poland with a view to getting acquainted with the structure of organization of higher education and the system of scientific research in Poland. Poland's Minister of Science and Higher Education Benon Miskiewicz and Minister Sharaf signed today, at the end of the Syrian visit, a protocol on the talks which positively reviews the hitherto cooperation of the ministries, especially in the field of training highly qualified cadres for Syria. The sides pointed to the possibility of expanding this cooperation which also applies to direct contacts between higher schools in the two countries. Both sides also signed an agreement on cooperation between the Warsaw Main Farming-Agricultural School and the Agricultural Department of Damascus University. [Text] [Warsaw PAP in English 1314 GMT 19 Jul 86] /9604

MOROCCAN HEALTH MINISTER VISIT--Warsaw, 19 July--Minister of Public Health of the Kingdom of Morocco Taieb Bencheikh paid a week's visit to Poland at the invitation of the minister of health and social welfare. The Moroccan guest visited Warsaw, Kracow and Zakopane, familiarizing himself with the functioning of Polish health service. The Polish and Moroccan sides signed here today a protocol to the binding agreement on cooperation of the health ministries of both countries. The document envisages, among other things, exchange of information and specialists, and scientific cooperation between the Polish child health center in Miedzylesie and the Rabat-based children's hospital. Today's meeting was attended by Ambassador of Morocco to Poland Abdesslam Ouazzani. [Text] [Warsaw PAP in English 1612 GMT 19 Jul 86] /9604

PERUVIAN PROGRAM OF COOPERATION--Lima, 16 July--Peruvian Minister of Foreign Affairs Alan Wagner Tizon and Polish Ambassador to Peru Boleslaw Polak signed here Polish-Peruvian programme of cultural and scientific cooperation for the years 1986-88. [Text] [Warsaw PAP in English 1604 GMT 15 Jul 86] /9604

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POLITICS ROMANIA

CEAUSESCU RECEIVES ISRAEL LABOR PARTY LEADER

AU071837 Bucharest AGERPRES in English 1800 GMT 7 Jul 86

[Text] Bucharest, AGERPRES, 7 July 86--On Monday, 7 July, RCP General Secretary and President of Romania Nicolae Ceausescu received the general secretary of Israel Labour Party, (Uzi Baram,) who is paying a visit to Romania upon an invitation extended by the CC of the RCP.

The guest handed over to Nicolae Ceausescu a message from Shimion Peres, chairman of Israel Labour Party, prime minister of Israel. Furthermore, the general secretary of Israel Labour Party conveyed RCP General Secretary Nicolae Ceausescu cordial wishes of good health and happiness, of progress and prosperity for the Romanian people and expressed special satisfaction at the opportunity to visit Romania and meet the Romanian party and state leader again.

Nicolae Ceausescu thanked him for the message and in his turn conveyed the chairman of Israel Labour Party and prime minister of Israel his salute and the best wishes of progress for the Israeli people.

During the interview, emphasis was placed on the fine links between the RCP and Israel Labour Party and the wish was expressed to further expand them in mutual interest.

The exchange of opinions on current international issues highlighted the two parties' concern over the current strain in the world, as well as the need to work in all firmness for the resumption and furtherance of the policy of Detente, peace and collaboration, for the achievement of disarmament, of nuclear disarmament in the first place, for the peaceful settlement of interstate litigious issues and the insurance of a climate of security and understanding throughout the world.

President Nicolae Ceausescu reiterated on this occasion to Romania's stance on the ways to solve the Middle East conflict, showing that a lasting and global peace in the area called for Israel's withdrawal from the Arab territories occupied in the wake of the 1967 war, the resolution of the Palestinian people's question, through the recognition of its right to self-determination and the creation of an independent state of its own included, the insurance of the integrity and sovereignty of all the states in that region. In that respect, Romania's president underscored the significance of intensified

efforts to call an international conference under UN Aegis to be attended by all the sides concerned, by the Palestine Liberation Organization included, as well as by the USSR and the USA, by the other permanent members of the Security Council, by other states that can make a positive contribution to the political settlement of the issues in the area, to the peace process in the Middle East.

The general secretary of Israel Labour Party outlined his party's position on the Middle East situation and the modalities of solving the complex problems in that part of the world. Moreover, he highlighted the appreciation Romania's actions and president Nicolae Ceausescu's contribution to the peaceful, negotiated settlement of the conflict in that area,the RCP and Romanian state leader's initiatives for the building of a climate of peace, security and cooperation in the world enjoy.

The interview was attended by Ion Stoian, alternate member of the Executive Political Committee, secretary of the CC of the RCP.

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POLITICS ROMANIA

OPREA MEETS FRG OFFICIAL; JOINT COMMISSION PROTOCOL

AU021822 Bucharest AGERPRES in English 1545 GMT 2 Jul 86

[Text] Bucharest, AGERPRES 2 July 86--Wednesday, 2 July first Deputy Prime Minister Gheorghe Oprea received Martin Gruner, parliamentary secretary of state, the Federal Ministry of Economics of West Germany, chairman for West Germany in the joint Governmental Commission on Economic, Industrial and Technical Collaboration between the Socialist Republic of Romania and the Federal Republic of Germany.

During the interview the sides approached problems related to the development of the Romanian-West German economic cooperation, the deepening of the technical and scientific collaboration in domains of joint interest, as well as to expanding and diversifying the bilateral trade exchanges.

The same day the West German guest had an interview with Foreign Minister Ilie Vaduva.

Wednesday proceedings concluded in Bucharest of the 13th Session of the Joint Governmental Commission on Economic, Industrial and Technical Collaboration between the Socialist Republic of Romania and the Federal Republic of Germany.

On the occasion the commission chairmen for the two sides, Alexandru Rosu, Minister Secretary of State, the Ministry of Foreign Trade and International Economic Cooperation, and Martin Gruner, Parliamentary Secretary of State, the Federal Ministry of Economics of West Germany, signed the protocol of the session that mentions new actions and measures meant to lead to an amplification of the Romanian-West German economic, industrial and technical collaboration both in the bilateral plane and on third markets, and to enhancing the mutual deliveries of goods.

Romania's Bonn ambassador and West Germany's Bucharest ambassador were present in the interview and in the session.

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CSO: 2020/178

DPRK'S KIM IL-SONG MESSAGE TO JOINT YOUTH MEETING

AU161045 Bucharest SCINTEIA in Romanian 10 Jul 86 p 1

[Text] I would like to express my great joy at the fact that the friendly meeting between the Romanian and Korean youth is being held in our capital city--Pyongyang--and to convey warm greetings and congratulations to all the representatives of the youth participating in this meeting!

Likewise, I extend a warm welcome to the representatives of the Romanian youth who arrived in our country carrying deep feelings of friendship and affection for the Korean people and for the youth of our homeland!

This friendly meeting is an important event for deepening mutual understanding and trust and for developing friendship and cohesion between the Korean and the Romanian youth.

The young generation represents the shift of tomorrow, those who will take on their shoulders the task of developing society and the future of mankind. The youth of the two countries, Korea and Romania, are fully aware of the noble task evolving upon them toward their countries, peoples, parties, and the revolution, and have commendably fulfilled their role as leading militants, ranking first in the struggle to build the new society.

The diligent and skillful Romanian youth, wisely led by the RCP, headed by the esteemed Comrade Nicolae Ceausescu, have traveled a road of creation and revolutionary changes of which they can be proud.

The whole historical process of Romania, a country that has become a developed socialist state with modern industry and advanced agriculture, is marked by the heroic struggle waged and the work results attained by the members of the Union of Communist Youth, by the young generation of Romania. Our people and youth sincerely rejoice in the successes attained by the Romanian youth in the process of the socialist revolution and socialist construction, and wholeheartedly wish them ever newer and greater achievements!

The Korean youth have attained soul-inspiring deeds of glory and have manifested heroism and unexampled creativity in the hard struggle waged to build and safeguard the new system on the soil of the homeland, a system free of exploitation and oppression in which people live an independent and creative life.

In their enthusiastic struggle waged to change nature and society, the Korean youth have grown and shaped as a strong political force of tomorrow and of the Workers Party of Korea, and reliable successors of the revolutionary cause of Chuche, who live today in a revolutionary epoch. As long as there is imperialism on our planet, the struggle for socialism and communism has not concluded. The youth of our times must continue the revolution--from generation to generation--in order to build a new world of peace and independence, a world free of imperialism and colonialism, and of domination and oppression.

I express my firm belief that the young people in Korea and Romania will commendably fulfill their duty of honor to follow the party leadership unflinchingly, to continue the revolutionary traditions of the party, and acquire the ideology of the party in their countries, in order to contribute--with their hands and with their brains--to enhancing socialist construction and to defending their homeland. Solidarity and cooperation in the revolutionary struggle are the source of invincible force and a firm guarantee of victory.

International solidarity and cohesion should be strengthened in order to ensure that young generation have the opportunity to carry out unflinchingly their activity in building the new system and waging their anti-imperialist struggle.

Starting from common ideals and aspirations, the young people in Korea and in Romania have established relations of brotherly friendship, active cooperation, and mutual assistance. As they have done so far, the Korean youth will work together, shoulder-to-shoulder with Romanian youth and with progressive youth throughout the world, and will firmly struggle for the triumph of peace, democracy, national independence, and the general cause of socialism.

I hope that, through the active efforts of its representatives, the friendly meeting will end with great successes.

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POLITICS ROMANIA

FESTIVE MEETING MARKS MONGOLIAN PEOPLE'S REVOLUTION

AU112000 Bucharest AGERPRES in English 1823 GMT 11 Jul 86

[Text] Bucharest AGERPRES 11 July 86--Marking the 65th anniversary of the Victorious Mongolian People's Revolution, a festive meeting was held in Bucharest on Friday 11 July.

Attending were Ludovic Fazekas, member of the Executive Political Committee of the CC of the RCP, Deputy Prime Minister, Ion Stoian, alternate member of the Executive Political Committee, secretary of the CC of the RCP, deputy heads of section at the CC of the RCP, executives of ministries, representatives of local party and state bodies, numerous working people from Bucharest enterprises and institutions.

Present were Togoochiyn Genden, ambassador of the Mongolian People's Republic to Bucharest, members of the embassy and the delegation of the Mongolian-Romanian Friendship Association now in Romania.

The national anthems of the Mongolian People's Republic and the Socialist Republic of Romania were played.

Viorica Neculau, member of the CC of the RCP, Deputy Minister of Education and Instruction, and the Mongolian ambassador to Bucharest, Togoochiyn Genden, addressed the attendance. They pointed to the historic significance of the event, with emphasis on the fact that in the six and a half decades of free life the working people in Mongolia led by the Mongolian People's Revolutionary Party made deep-going revolutionary and democratic changes in all the spheres of economic, political, and social life, successfully building the socialist system, achievements which are well known and appreciated by the Romanian people.

The speakers also referred to the fine relations between the RCP and the MPRP, between the two countries and peoples, and stressed that they saw an ascending course in the political, economic, cultural-scientific and other domains, in the spirit of the treaty of friendship and collaboration between Romania and Mongolia, of mutual esteem and respect. They also highlighted that conditions and possibilities existed for the Romanian-Mongolian cooperation to develop still more in the future, through concerted efforts, in the interests of the two peoples and countries, of the general cause of socialism and peace in the world.

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SOCIOLOGY GERMAN DEMOCRATIC REPUBLIC

SOCIALIST SOCIOLOGICAL RESEARCH INTERESTS OUTLINED

East Berlin DEUTSCHE ZEITSCHRIFT FUER PHILOSOPHIE in German Vol 34 No 7, Jul 86 (signed to press 1 Apr 86) pp 577-587

[Article by Prof Dr Rudi Weidig, director of the Institute for Marxist-Leninist Sociology at the SED Central Committee's Academy for Social Sciences: Sociological Research in the GDR--A Survey"]

[Text] Proceeding from the strategy for the shaping of the developed socialist society in our country, elaborated in the SED Program and spelled out further on the 10th and 11th party congress, many novel and ambitious tasks are presented for sociological work. Especially through the unequivocal orientation to intensive expanded reproduction and the hastening of the scientific-technological progress for developing the modern productive forces and the appropriate level of labor productivity, historically novel tasks are raised for social progress also the substance and implementation of which also directly determine the subject matter of sociological research.

Experience has shown that with the advances made and with the new tasks in the shaping of the developed socialist society in the GDR the practical need for solid sociological insights and observations has objectively increased in many ways. Thus the implementation of the main task with its united economic and social policies and the SED's social strategy set thereby for long range demand solid sociological data on the interactions between scientific-technical, economic, and social progress. Many new questions and tasks in social and ideological development have become social focal points along our coping with the scientific-technological revolution, the development and effective application of key technologies, the development of the socialist way of life, and the spreading or use of the advantages and impulses of socialism.

One source of the research achievements obtained by the research facilities and sociologists on the Scientific Council for Sociological Research in the GDR undoubtedly lies in their having faced, in accord with the central research plan of the Marxist-Leninist social sciences in the GDR, the growing practical needs for sociological knowledge. Noteworthy contributions have been made in important fields to satisfying such needs and providing a stronger profile for that science discipline. Especially the Fourth Congress of Marxist-Leninist Sociology in the GDR, held in March 1985 with the practically and theoretically demanding topic of "social impulses for economic growth," illuminated this conceptual orientation and the increased capacity of sociology in the GDR.[1]

In wishing to summarize what has been conceptually novel and what has stood up well in the GDR's Marxist-Leninist sociology in recent years, the following points especially have to be stressed:

1. Sociological research on the impulse function of sociological phenomena, factors and relations vis-a-vis economic growth and the spreading of the working people's productive creativity received central attention. The question of how the social phenomena, processes, and relations produced by and in conformity with socialism are in quality or have to be shaped deliberately so that they will give rise to strong impulses for economic growth became the focal point of the sociologists' research. This orientation proceeds from the dialectics between economic and social development that is inherent in socialism: high economic achievements in material and intellectual production are a crucial condition for implementing the social relations and goals that conform to the developed socialist society. For all that, the social factors and relations are not passively related to economic development and capacity, do not merely result from the application of modern material-technical productive forces and economic growth, but they have active effects on them.[2] This all the more effectively and successfully if they are fashioned in conformity with social, collective, and personal interests. This means that it always is up to the quality of social phenomena and factors required for overall social progress and, particularly, for economic growth, to put their impulse function into effect.

This targeted approach by GDR sociology to the dialectics referred to between economic and social progress in no way means a reduction of the social to its impulse function for economic growth and is no "economizing of sociology," as bourgeois critics claim it is. Social progress as condition and impulse for economic growth, for dedication and performance improvements, and as a deliberately sought result, objective, and intrinsic value does objectively not amount to anything contradictory in socialism. It is precisely the quality, produced by socialism and possible and necessary for the developed socialist society, of the social structure, e.g., the social security, the performance recognition, or the collective and communal relations, which is the indispensable and inexhaustible source for both personality and performance development.

When GDR sociologists make a point of and study these reciprocal relations between the economic and the social, they do not "economize" sociology, but deliberately pursue the materialist foundations of sociology, looking at the social phenomena and processes, not in terms of an imagined isolation, a decoupling, but in their being dialectically determined by the economic principles and processes. Such an orientation on sociological research at once aims at gaining practically relevant theoretical statements for the management and planning of social processes and, especially, at further theoretical bases for the Marxist-Leninist party's social policy.

2. Another typical feature of the sociologists' research in the GDR can be called a stronger subject orientation or subject relatedness.[3] Research proceeds from the fact that is as elemental as it is important that in socialism the working people in the various collectives, classes, strata, and social groups themselves are the ones who, through their abilities, activities, and especially

through their achievements, toward am effective development and application of the modern productive forces, determine in accordance with their own interests all scientific-technical, economic, cultural, and social progress. In the implementation of their common basic interests as socialist proprietors and producers, to be sure, they fulfil their subjective role always in a specific and special manner in conformity with their particular place within the social division of labor and the social labor organization, their distinct immediate conditions of existence and their abilities and knowledge. The sociological definition of the general and the specific, the particular in the implementation of the subject function, e.g. in the various working classes and strata of socialist society, turns out to be an important theoretical principle for management activity to develop the common and specific potentials of classes and strata and for a differentiated alliance, educational and social policy. That implies elaborating more accurate sociological data on which potentials the various classes, strata, collectives, and so forth are able to produce, in particular, for the advances of socialism, and how their relations with one another, their specific interests, motivations, abilities and knowledge can and must be developed and used purposely so that they, under working class leadership, implement their given specific function as social subjects in the shaping of the developed socialist society.

The stronger subject orientation in sociological research has greatly helped enrich it substantively. For instance, it placed into focus in sociological structural research such important problems as discovering the connections between social structure and social conduct, the measure and ratio typical of and possible for socialism between social equality and social disparities, of social identities and differentiations, and questions of the current and long-range development of the various classes and strata.

3. Sociological research has in recent years been oriented more at analyzing the interests of diverse social subjects. That is a logical consequence resulting from the object of discovering the social impulses for economic growth and the condition for their comprehensive use. Without doing solid research on the developmental trend, the content, and the structure of interests as an essential link between the objective conditions for existence and the conduct of diverse social subjects it is not possible to discover and develop the social impulses for social progress. And it is not enough simply to state that interests give rise to impulses for action. Granted that assumption, it is important also to know for leadership and management activity and for effectively inducing impulses which interests are the ones that motivate individuals and the various social groups to act.

An analysis of interest trends is going to remain an important concern of sociological research. For that one must also comprehend the real interactions that are germane to socialism: while recognizing the priority of the common basic interests of the working people in all social classes and strata, from which ultimately the decisive impulses of socialism for creative activity and high achievements arise, one must yet give more attention to all the differentiations, the particulars in the various classes and strata and the demographic groups and collectives. Research up to now already has provided the evidence that the special conditions of existence for the various classes, strata, and other social groups in socialism not only amount to specific conditions and tasks for the implementation of common interests. From them also

arise special, independent interests of the various subjects the attention to and use and satisfaction of which also are of great importance and of a long-term effect for developing the whole system of impulses germane to socialism.

4. Finally, new topics were taken up in GDR sociology in recent years; new research trends were thereby picked up or notably extended. That was mainly research on developing a productive performance attitude by the working people in the various social groups, mainly those in focal areas of scientific-technological progress; sociological territorial research, especially urban and rural development or that of towns and villages; sociological research on the development of demographic groups[4] and research on the analysis and criticism of basic trends in non-Marxist sociology.[5] Research was started on the problems of sociology and peace.[6] That also, not last, noticeably extended the interdisciplinary character of sociological research.

For the rest we shall discuss some essentials in sociological social structure, territorial, and personality research.

Data on Sociological Social Structure Research

Sociological research has advanced the realization that in the GDR, as a requirement for intensification and for extending the proven SED alliance policy or because of the given demographic situation qualitatively new demands arise for the social structure development. At the Fourth Sociology Congress a point was made of the following sociostructural problems: Whereas extensive economic growth is marked by penetrating changes in the numerical proportions of classes and strata, intensive growth depends on a stabilization of the numerical proportions that have evolved in the class and strata structure. Recent years have indicated a strong tendency toward reproducing the class and strata structure in given magnitudinal ratios. The development in occupational qualification groups is analogous.

This means that essential sociostructural developments of previous years, connected with marked changes in the magnitudes of classes and strata, cannot continue in the GDR. And this applies to
--the numerical growth of the workers class, which includes a good 75 percent of all who work,
--the enormous quantitative growth rates of the intelligentsia,
--the reduction in numbers of the working people who belong to the class of the cooperative farmers and the social stratum of the cooperative and private craftsmen and tradesmen, and
--the growth in numbers of the urban population at the expense of the rural population.

A central sociostructural requirement for the continued shaping of the developed socialist society, it turns out, lies in further consolidating the already formed socialist foundations and basic features of the classes and strata, their common socioeconomic, political, and ideological traits, and their proven alliance, and in purposefully promoting and using their special skills and traits for ensuring the requisite economic growth. That primarily increases the importance of those qualitative traits by which those classes

and strata act as subjects of scientific-technical, economic, and social progress. That then also assigns the priority task to develop further or create the kind of sociostructural conditions and factors that would optimize the promotion of the performance capacity, the performance readiness, the common and specific interests, abilities and knowledge, and all productive capabilities of the classes and strata to ensure the requisite economic growth.

Such qualitative requirements also govern the rapprochement of the classes and strata--that historically dominant process of sociostructure development in socialism. Sociological surveys show that the simplistic idea of the ways and means of that rapprochement that was widespread earlier in the game has by and large be done away with in recent years. GDR experience has demonstrated that the rapprochement between the workers class and the class of the cooperative farmers cannot be brought about by way of steadily increasing the proportion of the part of the workers class working in the LPG's or by reducing the number of cooperative farmers without causing sensitive losses to the effectiveness and quality of farm production and to the stability of the proven alliance. Experience also shows that the rapprochement between the workers class and the social stratum of the intelligentsia cannot be brought about by way of leveling the especially labor-functional and social conditions for existence and development, abilities and knowledge of the intelligentsia without causing big damage for the development of socialist society, especially for the development of the modern productive forces, science and culture.

Proceeding from the basic positions in the SED Program and from the economic and alliance policy experiences gained meanwhile, the criteria for the feasible ways today and for rating the level reached in the rapprochement are not derived from some sort of abstract and ahistorical social yardsticks but, above all, from political and economic yardsticks for the development of the modern productive forces. Ways to be taken and successes to be achieved by the rapprochement must first be gauged against the social potentials and forces that would be derived from them for the intensification process and the development of the modern productive forces. This is mainly so because the ultimately decisive basis for growth and a high level of rapprochement and for the later abolition of classes and strata are the growth and a high level of social productive forces and labor productivity.

Proceeding from there, all sociological research in the GDR indicates that the rapprochement of the classes and strata in the present and future is a complex dynamic process that includes, above all, the following chief processes: First, it is a matter of further reinforcing the penetrating common political, socioeconomic, and intellectual traits that have evolved under SED leadership in the development of socialist society thus far among the classes and strata. That is the decisive basis for their joint interests and common intent and actions. Second, it is necessary to develop rapport that accords with the requirements for heightening the performance ability and performance attitude in the classes and strata and a comprehension for the needed reduction, surmounting, and reproduction of social differentiations.[7] Third, on behalf of an effective development of qualitative growth factors, it is becoming ever more necessary to develop in a targeted manner the special or specific abilities, knowledge, or interests of the various classes and strata and thereby use them as strong social impulses for high work performance, economic growth and the development of the socialist life-style.

In conjunction with this sociostructural research a deeper realization was gained of that the historically inevitable and lengthy process of the rapprochement of the classes and strata is closely linked with the development of growth factors such as the reproduction of class and strata-related specifics in the conditions of existence, capabilities, and particulars in the social profile. That is true of all classes and strata in socialist society.[8]

This social reproduction has been defined, e.g., relative to the class of the cooperative farmers as a complex process that embraces mainly three components:[9] First, the reproduction of class-specific conditions of existence and forms, i.e., especially the expanded reproduction of cooperative property and the further consolidation of the LPG's as the basic economic units of the economy, political-social communities, and specific organizational forms of the class; in the broader sense, however, also the reproduction of such class-typical forms of existence as the rural mode of existence and the cooperative farming family that carry on indispensable functions in the social reproduction process of that class. Second, the reproduction of class-typical peasant traditions, experiences, and social characteristics relative to nature, to the particulars of farm labor, to cooperative property, and village life as elements or forms of expression of the socialist mode of thinking and conduct or specific abilities as cooperative producers and proprietors. Third, the personnel reproduction of the class by systematically accepting new working members into the LPG's.[10]

Quintessentially, the realizations and inferences gained in this context provide the insight that--based on what these two socialist property forms have in common--the specific impulses of cooperative property become effective to the degree that the specifics in this form of property are used and developed. Out of the cooperative character of property results the specific rank of cooperative interests as an impulse. The objective interest of each LPG as a cooperative collective hence lies in reproducing expanded cooperative property through high and efficient production and constantly improving the working and living conditions of the members and the peasant families' subsistence. With this cooperative interest also accords the members' joint responsibility for making efficient use of funds and the collective interest taken in their LPG's economic and social development.

Sociological Research on Territorial Development

Sociological research on territorial problems and aspects of social development in the GDR has greatly been strengthened in recent years. This research proceeds from the fact that the comprehensive intensification of the reproduction process also makes new demands on the development of the settlement structure, on urban and rural design, and on urban-rural relations. Connected with that, new topics entered the sociological field of vision: Territorial processes and manifestations of the development of the social structure and the socialist way of life, the solving of the housing problem as a social problem, developing the social activities of citizens of diverse social groups, the development and satisfaction of cultural needs, social problems of reproduction and in the population's residential ties and migratory habits, and the connections between urban and rural working, living, and recreation.[11]

Such research made sociological work more compact and enriched Marxist-Leninist sociological thinking and sociological theory. What matters mainly in this regard is the indispensable step taken toward a more complex analysis of social structures and modes of conduct. Territorial conditions were given proper attention as specific and, in some ways, independent behavior modifiers. From all the knowledge gained in this research field we shall select matters here that have to do with the development of the urban social structure and mode of life and with the social development in the villages.

Sociological research on urban development proceeds from the requirement that the capital, the bezirk cities and other towns in our country are making a decisive contribution to our overall social development and especially also to implementing the unity of economic and social policy. That results in particular from the close connections between urban development and the site distribution of the modern productive forces, the concentration of the population and of manpower, and their essential working and living conditions. It is of prime importance in this that the towns, especially the cities, are sociostructurally marked mainly by the workers class and the intelligentsia. The capital, the large cities, and the conurbations are the most important territorial centers of the workers class and the intelligentsia. As the workers class primarily is an urban class, the intelligentsia primarily is a social stratum of the cities. Recent research based the realization that no other social group in our country shows as high a degree of territorial concentration as the intelligentsia mainly on the scientific-technological intelligentsia. From it it follows that assuming the overall social responsibility for the cities and their prosperity--such as the effective use of the available labor capacity, the intensive use and further extension of the infrastructure, the further improvement of housing conditions, and so forth--becomes an important aspect of implementing the leadership role of the workers class and consolidating its relations with the socialist intelligentsia. This research arrived, altogether, at the important realization that the analysis of the social structure is the key to understanding the nature of the city as a social organism and the nature of the urban way of life.

It was shown in this connection that the development of the socialist way of life and the reduction of social disparities are linked with the continued existence of social and other particulars in town and countryside, cities and villages, and settlements of different types and sizes, and that the reproduction of such particulars are part of this development. That includes particulars in the economic profile, in the available scientific-technological potentials, in the size and structure of the social labor capacity, in the socioteritorial structure, and in the working and living conditions. That is the reason why research on relatively stable characteristics, worthy of reproduction, in the particulars of the way of life and of the needs, including those of the urban and rural way of life, but also of long-term stable characteristics in the urban way of life diverse in type and size, play a big role in sociological territorial research. Knowing, paying more attention to, and deliberately reproducing such particulars helps ensure high urban and rural stability and, hence, the solving of economic tasks.

A differentiated sociological analysis of the population trend in the cities and other settlements held an important place in such research.[12] One came to

realize that mainly two aspects are involved in the economically necessary migration controls in the GDR: improving the working and living conditions of the population in villages and small towns and greater efforts to enforce intensification in the producing and non-producing economic sectors in big cities.

This research paid special attention to solving the housing issue as a social problem in the GDR. It was possible to demonstrate here that in connection with implementing the socialist state's generous housing construction program not only the extant housing was quantitatively and qualitatively much improved, but what is mainly important is that the level disparities in the housing conditions of social classes, strata, and groups tend to be reduced further. Among the noteworthy advances is that territorial disparities in housing conditions have been greatly reduced in recent years; no urban-rural distinction is recognizable anymore. Important for further developments in housing and urban construction is remembering what we now know about the increasing housing needs and their sociostructural differentiations. In conformity with the interests of inhabitants already observed, the housing perimeter, the condition of the natural, constructed, and social environment, and the attractiveness of the housing area and place of residence are becoming a more and more significant part of planning and management.

Research on stable rural development confirmed the realization that the intensive development of the cooperative reproduction process and the social reproduction of the class of the cooperative farmers are reciprocally linked with village development. The following important results of sociological generalizations on village development during the continued shaping of the developed socialist society ought to be emphasized.[13]

First, looking at a given village in its unity of rural settlement and local community of its inhabitants as a starting point for sociologically defining the village in socialism. For one thing, this aims at a complex understanding of the villlage, not only in its objective material shape and its local site functions in the social reproduction process, but mainly also as a social form of existence for the people working and living there, through whose communal relations and activities the village itself becomes an active force that shapes society.

Second, it was brought out that the function of the village in the social reproduction process and its economic, social, cultural, and political potentials are to be viewed in a complex manner. Along with the obvious place value the village enjoys in its proximity to farm production, for an effective agriculture and the everyday reproduction of the working people's labor in this sector, it also plays an increasing role in the stable reproduction of the agricultural labor capacity and the social reproduction of the class of the cooperative farmers. And furthermore--as most of the rural population does not belong to that class and is not working in agriculture--the villages have an important function in reproducing the entire social structure of our society.

Third, the realization has been underscored that today the social stability of the village has become an objective social requirement. Important components of this stability--with territorial and local differences, of course--in their reciprocal linkages are above all: maintaining or extending jobs in

a village itself or fairly close to it as well as those conditions for a material existence that are needed for the daily satisfaction in basic needs, the social communication, and the social and cultural life in a village; the numerical stabilization of the resident population and the planned reproduction of its requisite demographic and social structure as well as the stable development of the village community and the social and cultural life of the village as a political-social community.

Fourth, the social reproduction of the village is marked on the urban-rural ratio by the dialectical linkage of further developments in common social traits and the reduction in social urban-rural disparities and the development of permanent specifics in the socialist way of life in the countryside. Bringing rural living conditions more in line with the urban ones thus cannot mean turning a village into a town, but gradually surmounting the social inequities in living conditions while reproducing the progressive specifics and particulars of village life that are worth preserving--including the rural character of a village and its peculiarities as a rural social community.

Developing Performance Motivation in Labor

As a consequence of the economic strategy of the SED and the importance of economic growth for the overall social progress in the GDR, processes and problems in the development of performance motivation were in recent years given more attention by sociological research. That provided a high place value in the research process to those elements of personality development and, especially, of labor motivation that define the personality as the acting subject of the social development process, mainly of productive forces development.[14]

The data and insights gained are uneven in range and concern various elements of sociological reflection and theorizing: A more precise definition was attained for the categories of performance attitude, performance, performance requirements, performance readiness, and performance motivation and their theoretical integration with the existing sociological sets of concepts; new insights were gained about performance attitude as a definite, concrete-historic type of attitude in the current stage of socialist development in the GDR; other results relate to a complex determination of the performance attitude and the causes for its uneven development in the various social groups of individuals. From the variety of insights gained, only a few should here be commented on briefly.

As a fundamental, general tendency of personality development--an instance of the growing role of the subjective factor--one can observe an inevitable increase in the weight and responsibility of the individual. Due to the progressive socialization of production and labor, what an individual does is objectively of greater social consequence; his subject position becomes increasingly important, in how he actually uses the ever increasing opportunities socialist society offers for his personality development as well as in how he uses and further develops his potential in knowledge, skills and so forth in actually achieving optimum accomplishments for the good of society and his own good.

Surveys indicate that--in consequence of social security and of the increasing educational and skill level--the needs of individuals grow fast and become more varied, intensive, and differentiated. Social opportunities for satisfying them are resorted to more deliberately and selectively. Typical is that mainly those needs become more pronounced (massive or intensive) that relate to the immediate developmental conditions of the personality: the need for substantial, varied, creative work, for working conditions without extreme, one-sided stress and health hazards; the expectation to be able to apply the knowledge and skills acquired in a manner that is productive for society and fosters one's own personality development; the need for comradely relations in the work collective; the need for performance-related and proper material and moral recognition; the need for expert information and an active involvement in the preparation, implementation, and supervision of social, industrial, and communal decisions that affect one's own sphere of life; the greater demands made on the quality of family conviviality; and the need for communication and sociability. As an instance of this development one can find greater sensitivity about the "time" value--a tendency channeled into an intensification of one's individual mode of life and into the desire to satisfy as many needs as possible and achieve a maximum in joie de vivre in any given time unit.

These tendencies of need development express the growing wealth of relations of socialist personalities. With it, it also is a decisive subjective-personal impulse for performance motivation. The individuals' wealth of needs proves a potential source for manifold internal impulses for a high performance readiness in one's work. Empirical surveys, e.g., indicate that a pronounced performance attitude normally goes hand in hand with diversified cultural interests, needs, and activities.

A performance attitude at one's work develops all the more, the more intensively the social requirement to achieve high economic efficiency through comprehensive intensification also is understood by the individual as a requirement and possibility for satisfying needs and interests felt to be personally significant through the work effort directed at them, even if it does not depend on it. As an essential mechanism for this context, it turns out, we find the socialist performance principle.[15] Of importance, out of the great variety of other mediating processes, according to sociological surveys, mainly also are the level of socialist democracy, the formation of a performance-oriented collective atmosphere, and the assignment of tasks proper as to available expertise.[16]

Surveys show that, tendentially, belonging to a class, stratum, or social group under our social conditions is less and less determined by factors that could be defined as being "born into it" or as a "lifelong membership." The individuals' concrete social poisition, their membership in a given social group, rather is more and more being "acquired" through a performance attitude or through performance. That, tendentially, places also a type of social differentiation of individuals in the center of public interest which--via performance attitude and performance--derives from a discriminating observation and realization of social opportunities.

Sociological research emphatically calls attention to a normally definitive qualitative holistic essence of personality. A pronounced performance

attitude does not come out of particular, especially prominent traits or attitudes of individuals but, altogether, out of a higher level or quality of personality. That leads, as it were, to an "induction" of various activities and modes of conduct. A high performance readiness and corresponding results in one's work induce similar levels and conduct in other fields--in coping with daily household chores, in sociopolitical activity, in athletics, and in dealing with partners. Empirical surveys indicate, e.g., that in highly efficient R&D personnel a whole number of central value concepts and convictions (such as the personal importance of one's trade, the appreciation for creative work, or the social dimension of one's sense of responsibility) are developed differently and on a different level than in those whose performance is average.

The research makes the emphatic point that--within most complex determinations--the level already reached in personality development has a relatively independent importance for the actual performance attitude. Or, in otherwords: A performance attitude by no means only is the outcome of actual circumstances of living or of conditions of incentives. How they function, what effects they have on a performance attitude in a concrete situation, that greatly depends on the personality as such, his development, his biography. Basic preconditions for the working people's performance-oriented actions evolve in early phases already--during childhood and youth--and remain relatively stable later.

The research trends and problems dealt with here are going to remain of central concern in GDR sociology. This is so mainly because it involves the basic processes in the further shaping of the developed socialist society in the GDR and such topics also remain research priorities in the multilateral efforts of the sociologists in socialist countries. Greater attention also in the time ahead will be paid to social problems in the development and application of key technologies, the development and effective use of the social labor capacity, and the development of collective relations in sociological research. Contributions to the further elaboration of Marxist-Leninist sociological theory are under way.

FOOTNOTES

1. Cf. "Soziale Triebkraefte oekonomischen Wachstum. Materialien des 4. Kongresses der marxistisch-leninistischen Soziologie in der DDR (Protokoll)" [Social Impulses for Economic Growth--Proceedings of the 4th Congress of Marxist-Leninist Sociology in the GDR], Berlin, 1986.

2. Cf. R. Weidig/G. Winkler, "Unity of Economic and Social Policy--Accomplishment and Impulse of Socialism," "Jahrbuch fuer Soziologie und Sozialpolitik, Berlin, 1985, pp 17 ff.

3. Cf. F. Adler, "Report on the 4th Congress of Marxist-Leninist Sociology in the GDR," DEUTSCHE ZEITSCHRIFT FUER PHILOSOPHIE (DZfPh), No 10, 1985, pp 918 ff.

4. Cf. W. Spaigner, "Population Reproduction--Component of the Social Reproduction Process," "Jahrbuch . . .," loc. cit., pp 233 ff.

5. Cf. Task force report under D. Wittich, "Konservative Gesellschaftsstrategie--soziologisch begründet" [Conservative Social Strategy--Sociologically Substantiated], Berlin, 1985.

6. Cf. R. Weidig/G. Winkler, "Sociology and Peace," printed manuscript of the 4th Sociology Congress of the GDR; A. Meier, "Securing Peace and Social Security," "Soziale Triebkraefte . . .," loc. cit., pp 52 ff.

7. Cf. M. Loetsch, "Workers Class and Intelligentsia in the Dialectics of Scientific-Technical, Economic, and Social Progress," DZfPh, No 1, 1985 pp 31 ff.

8. Ibid., (on the corresponding development of the workers class and the intelligentsia); and R. Weidig, "On the Sociostructural Development of the Workers Class in the GDR," DZfPh, No 4, 1986, pp 339 ff.

9 The following remarks include research done by K. Krambach, S. Grundmann, and A. Kretzschmar.

10. Cf. Task force report under K. Krambach, "Die Genossenschaftsbauern in den achtziger Jahren" [The Cooperative Farmers in the 1980's], Berlin, 1984

11. Cf. S. Grundmann, "Die Stadt," Berlin, 1984, pp 69 ff; L. Niederlaender, "Arbeiten und Wohnen in der Stadt," Berlin, 1984; A. Kahl, "Sociological Research on Living and Working in the City," DZfPh, No 1, 1985, pp 77 ff; Task force report under K. Krambach, "Wie lebt man auf dem Dorf? [How Does One Live in the Village?], Berlin, 1985.

12. Cf. S. Grundmann/I. Schmidt, "Social and Economic Aspects of Migration and Its Control," DZfPh, No 2, 1985, pp 115 ff.

13. Cf. K. Krambach, "Cooperative Farmers and the Village in the Process of Socialist Integration," DZfPh, No 1, 1985, pp 42 ff.

14. Cf. A. Kretzschmar, "Soziale Unterschiede--unterschiedliche Persoenlichkeiten" [Social Differences--Diverse Personalities], Berlin, 1985; R. Winzer, "Of the Value and Meaning of High Performance," EINHEIT, No 7, 1985, pp 591 ff.

15. Cf. F. Adler, "The Socialist Performance Principle in the Dialects of Social Equality and Differentiation," DZfPh, No 2, 1986, pp 116 ff.

16. Cf. R. Stollberg, "Collectivity and Scientific-Technical Progress," DZfPh, No 3, 1986, pp 201 ff.

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